



Sheikh Abed Mouam Zhat, a Muslim Brotherhood leader, denouncing the PLO's recognition of Israel at a rally Friday in a Palestinian refugee camp in Amman. He vowed to continue to fight Israel.

Arafat Faces Rebellion; U.S. Vows 'Guarantees'

Aid Is Likely to Be Monetary 3 Quit PLO Ruling Committee

By Joseph Fitchett

WASHINGTON — The United States will provide "peace guarantees" to reinforce the security terms of any pact between Israel and the Palestine Liberation Organization, President Bill Clinton said Friday. Mr. Clinton made the statement at a White House news conference, referring to past U.S. participation in multilateral peacekeeping forces in the Middle East. But administration officials said that the administration had no specifics in mind yet and that despite the military overtones of the word "guarantee," the support needed would probably take the form of money, not U.S. troops.

October war in 1973 — does not appear to need any peacekeeping by outside military forces.

At the news conference, where he also announced the resumption of contacts with the PLO, Mr. Clinton said that the United States would "work with the Palestinians and Israelis" in carrying out the peace accord. He said there would "plainly be some peace guarantees."

By William Drozdiak

TUNIS — Three members of the Palestine Liberation Organization's Executive Committee quit in disgust Friday over the PLO decision to endorse a mutual recognition pact with Israel. The resignations dramatized the continuing tensions over reconciliation with Israel that have stripped the facade of unity from the 18-member board, which acts as a ruling cabinet under the so-called government-in-exile led by Yasser Arafat.

and the destiny of 3 million Palestinians living in the diaspora.

But with Arafat loyalists holding a clear majority in the Executive Committee, the board's likely endorsement is expected to remove the last obstacle to a signing ceremony in Washington on Monday between Israeli and Palestinian representatives.

Jordan Expects Peace Agenda In a Few Days

LONDON — King Hussein of Jordan said Friday he believed that an agenda aimed at concluding a peace agreement between Jordan and Israel could be signed early next week. Asked on British television whether Jordan would sign an expression of intent with Israel next week, he said: "Agreement on the agenda, yes. If not on Monday then Tuesday at the most."

PLO Chief Keeps Rivals Off Balance

By Barry James

The speed and the scope of the agreements between Israel and the Palestine Liberation Organization have caught hard-line opponents of the accords off balance, Middle East experts say. In the past, these groups have often been bogged down in rivalries, and there was little to suggest they have the organizational skill or support needed to take on the PLO leader, Yasser Arafat, the experts said.

past, according to aides, and he appeared to be taking a calculated gamble that he can outwit his opponents once again. The only support on which he could rely within the PLO is from his own Fatah movement and a couple of smaller groups. Even Fatah is divided, with one of its top

tion in the PLO after a Syrian-backed minority against Mr. Arafat in 1983. Among the various factions there has seldom been much sense of common purpose, and the *intifada*, or uprising against Israel, has increasingly been led by the fundamentalist Hamas movement, which is not part of the secular PLO.

NEWS ANALYSIS

leaders, Farouk Kaddoumi, the head of the political department, coming out against Mr. Arafat. He said the agreements "harm the inalienable national rights of the Palestinian people."

"Arafat is outpacing them," said one Middle East diplomat quoted by Reuters. "They want to be the usual spoilers but they have to be very careful. Their attacks could now backfire as never before."

Bank of Japan Casts Pall on Recovery

By Steven Brull
TOKYO — Reinforcing fears that the sluggish Japanese economy is shifting into even lower gear, the Bank of Japan reported Friday that business confidence had sunk to its lowest level in 18 years, with few hopeful signs in sight.

The measures, which include another cut in the official discount rate and a fiscal spending package, will be ready for Prime Minister Morihiro Hosokawa's meeting with President Bill Clinton in New York later this month. But economists say that given the deflationary pressures in the economy, the response is unlikely to do more than stem the erosion.

Financial markets expect a cut of one-half to three-quarters of a point, although some political and business leaders have called for a one-point cut. While the next cut in the discount rate, which would be the seventh in two years, is expected to have at least a psychological impact, the size of the fiscal spending package being formulated appears insufficient to reverse the economy's downward momentum or to placate Washington.

Klosk
Sukova Reaches Final in U.S. Tennis
NEW YORK (AP) — Helena Sukova, revived by the delay caused by a brief but heavy rain shower, defeated second-seeded Arantxa Sanchez Vicario, 6-7 (7-9), 7-5, 6-2, on Friday to move into the women's final at the U.S. Open tennis championships. Sukova, from the Czech Republic, will meet the winner of the semifinal pitting top-seeded Steffi Graf against No. 11 Manuela Maleeva-Fragniere.

Haiti's Hopes: A Catholic Priest and Village Voodoo

By Howard W. French
New York Times Service

SOUKRE, Haiti — In a country where people have rarely seen the government as their friend and international promises have a history of being broken, Haitians long ago learned to depend on their own devices for both hope and survival.



UN Defends Firing on Somali Crowd

By Keith B. Richburg
Washington Post Service
MOGADISHU, Somalia — Somali guerrillas on Friday pounded United Nations troop positions with mortar and grenade barrages, as American officials tried to contain the fallout from a U.S. helicopter strike on a crowd of Somali women and children who were threatening UN troops.

Major David Stockwell of the U.S. Army, the chief UN military spokesman in Somalia, said, "There are no sidelines or spectator seats — the people on the ground are considered combatants."

fighting erupted between rival Somali sub-clans who battled with grenades and assault rifles for several hours. The fighting prompted U.S. helicopter gunships to abandon their neutral position and intervene long enough to allow Malaysian ground troops to extract a group of foreign journalists from a hotel that became a focal point of the clashes.

سكوا من الأمل

STATESIDE / COUNTING HEALTH DOLLARS

★ POLITICAL NOTES ★

Senate Clears Bill on Homosexuals in Military

WASHINGTON — The Senate has approved a policy on homosexuals in the military that critics denounced as more restrictive than the one President Bill Clinton proposed two months ago, in a compromise designed to resolve disputes over the issue.

It did so on Thursday in rejecting, 63 to 33, a move by liberals to strip all restrictive language governing homosexuals in the military from the 1994 defense authorization bill and to replace it with a statement that the president should determine the policy in his role as commander in chief.

The language on homosexuals, which the House Armed Services Committee also has included in its version of the defense bill, generally parallels Mr. Clinton's policy in that it allows homosexuals to serve in the military as long as they do not engage in homosexual acts or disclose their sexual orientation.

But it does not codify Mr. Clinton's proposal to stop the military from questioning recruits about whether they are homosexual. Instead, it says questioning should be stopped but could be resumed if deemed necessary by the defense secretary to carry out overall objectives of the policy. (WP)

Wallop Bows to the Term-Limit Groundswell

SHERIDAN, Wyoming — Senator Malcolm Wallop said Friday that he would not seek a fourth term next year because Wyoming voters support term limits.

"The state has spoken very clearly about term limits," Mr. Wallop, a Republican, said. "If you believe in democracy and 74 percent of the people of the state say there should be term limits, I think you have to respect that."

Wyoming voters last November approved a measure mandating term limits for members of Congress and state legislators. Mr. Wallop, 60, could serve two more terms because the law did not go into effect until this year.

Quote/Unquote

Representative David Dreier, Republican of California, who is trying to round up Republican support for the North American Free Trade Agreement, expressing concern that President Bill Clinton is not as committed to securing passage of the accord as he needs to be: "Now we come back and we've got reinventing government. We've got health care and we've got NAFTA. I want to make sure the eye is on the ball. And the ball is NAFTA because we've got a Dec. 31 deadline." (WP)

Away From Politics

Hours after being ordered to stand trial for helping a man kill himself, Dr. Jack Keivorkian was on hand at another suicide, the 18th at which he has been present, the police said Friday in Redford Township, Michigan. Responding to a call reporting a suicide, the police found Dr. Keivorkian and a dead man. Dr. Keivorkian was not arrested, and his role in the unidentified man's death was not known.

The former chief judge in New York state, Sol Wachtler, 63, was sentenced to 15 months in federal prison in Trenton, New Jersey, for threatening to kidnap the daughter of his former lover, Joy A. Silverman. The case grew out of a 13-month campaign of hang-up calls and anonymous, obscene letters that he began after ending his four-year affair with Ms. Silverman.

An experimental technique that would infuse armies of virus-killing cells into AIDS patients has been approved by a National Institutes of Health committee of experts. The experiment calls for removing antiviral immune cells from AIDS patients, culturing the cells into vast numbers and then injecting them back into patients.

Boston students returned to public schools on Thursday after the Boston Teachers Union voted to ratify a contract that will make Boston the only large U.S. city to link teachers' pay to the performance of its students. AP, NYT

5-Year Price Tag For Reform Plan Put at \$700 Billion

By Dana Priest

WASHINGTON — President Bill Clinton's health care plan is projected to cost the federal government an estimated \$700 billion over five years, of which \$105 billion would come from new taxes on cigarettes, alcoholic beverages and some large corporations, administration officials and congressional sources who have seen the plan say.

About \$285 billion would be financed from savings realized by imposing caps on the Medicare for the elderly and disabled, Medicaid for the poor and other publicly financed health programs, cutting their projected rate of growth by about one-half. In addition, it would use that previously budgeted money to subsidize the cost of health premiums for small companies and low-income workers and to expand some benefits.

Moreover, about \$259 billion would be raised by requiring companies that employ Medicare and Medicaid recipients to pay part of their health coverage costs. The White House expects to raise \$51 billion more when employer costs of providing health benefits decline, as the plan assumes they will. These savings presumably would result in higher wages, which are subject to federal income tax; company spending on health benefits is not taxed.

Congressional and White House officials emphasized that the plan was still evolving and would probably change somewhat by the time the president announced it on Sept. 22.

Average School Tax Now Is \$2,348

By Mary Jordan

WASHINGTON — The amount of money American spends on its public schools has soared as much as health care costs, so that each household now spends an annual average of \$2,348 in taxes to fund schools.

A large part of the rise has fattened bureaucracy, and there is no sign that the investment had improved learning, according to study made public by a bipartisan group of legislators and a former U.S. secretary of education, William J. Bennett.

In New Jersey, New York, the District of Columbia and other places where taxpayers pay among the most for their schools, the students are among lowest achievers, according to their test scores and high school graduation rates.

Streamlining Means Yet Another Panel

By Michael Kelly

CLEVELAND — In his first official act of "reinventing government" into a quicker, slimmer, smarter creature, President Bill Clinton has created a new government entity.

"I am going today, as soon as I finish talking, to sit down here and sign a new order to my cabinet, to create a Community Enterprise Board from my cabinet," Mr. Clinton told several thousand people at a Cleveland shopping center Thursday. "Not a domestic policy group to tell people what to do, but a Community Enterprise Board."

A few minutes later, with the stroke of a presidential pen, the deed was done. The Community Enterprise Board, led by Vice President Al Gore and peopled by 17 cabinet secretaries and presidential assistants, joined the 1,250 commissions, committees, boards, councils and advisory groups that already sit in various nooks and corners of government.

But the birth, as it turned out, may have been a trifle premature. The announcement was intended as a "Rego event," a public relations spectacle to build support for the White House's campaign to reinvent, that is, streamline, the government.

But the explanation did not make clear whether the board would actually do or how. The concept, as Maria Romash, a White House spokeswoman, acknowledged, is a work in progress.

The president said his announcement signaled "a new era in the relationship with the national, the state, and the local governments." But beyond that, he was vague.

"What is the practical impact of all that?" he said. "It will be for us to identify neighborhoods in trouble all across America. They will say what they want done. Then my cabinet will sit down and work together and figure out how to do it, not how to tell them to comply with our rules, but how to do what people need done at the local level."

A presidential memo, issued in coordination with the speech, was only slightly more elaborate. In it, Mr. Clinton said the first task of the board would be "to assist in the successful implementation" of "empowerment zones," "needy areas that are eligible under the 1993 budget act to receive special federal aid."

Pressed further, Ms. Romash said the board's overall task would be to "carry the ideas of reinventing government to the streets." It would serve, she said, as an "enforcement tool," pushing recalcitrant bureaucrats into line with the sweeping goals outlined in the National Performance Review that Mr. Gore announced Tuesday.

But while the board's mandate is couched in grand terms, its actual design is modest. It has no enforcement powers, no staff, no statutory power to force other entities of the government into concrete actions.

"There is no money appropriated here, no staff assigned, no physical space involved,"

Ms. Romash said. "The cabinet secretaries will rely on their own staffs."

Henry G. Cisneros, the secretary of housing and urban development and one of the architects of the new board, described it as a gathering of cabinet secretaries and top economic advisers that would meet once a month to coordinate ways to "force" cooperation between federal agencies on problems as large as housing the homeless and as specific as a 10-square-block redevelopment program in Brooklyn.

If this sounds like a lot of work for a monthly panel with no staff or budget, it is, Mr. Cisneros said.

But not to worry. "I didn't say there's no staff," he hastened to clarify. "I said there would be no new hiring. But my understanding is that the vice president will take some people from his office who worked on the National Performance Review and apply them to this, and we will have some people from HUD we will dedicate to different projects on this." Indeed, he said, "I think every department is going to do this, assign people to the board's projects as needed."

But, he clarified, it would be wrong to think that this would result in something like a new layer of bureaucracy. "This is just a way to facilitate, to coordinate, to make the departments do things together that they are incapable of doing without some direction," he said. "That should be obvious."

Helen O'Connell, Big Band Singer, Dies

The Associated Press

SAN DIEGO — Helen O'Connell, 73, a big band singer whose songs were popular with GIs during World War II, died of cancer Thursday.

Born in Lima, Ohio, Miss O'Connell's singing career took off in 1939 when she recorded "Green Eyes" with Bob Eberle as a vocalist with the Jimmy Dorsey Orchestra.

She went on to become one of the most popular female singers during the height of the Swing Era. She also popularized such songs as "Tangerine," "Amapola," "Jim," "I Remember You," and "Arthur Murray Taught Me Dancing in a Hurry."

In the 1950s, she worked with Dave Garroway on NBC's "Today Show." For nine years she was hostess of the Miss Universe Pageant, and for several years was a television spokeswoman for Polaroid cameras.

Aaron Wildavsky, 63, A Public Policy Expert

New York Times Service

Aaron Wildavsky, 63, a political scientist who was an expert on public policy and government budgeting, died of lung cancer on Saturday in Oakland, California.

Mr. Wildavsky, a former president of the American Political Science Association, had taught at the University of California at Berkeley since 1963.

In "The Deficit and the Public Interest" (1990), a book he wrote with Joseph White, the authors said that the nation's "deficit is high

because reducing it will have serious adverse consequences for virtually everybody, and therefore for the country as a whole." They added: "Until this fact is faced, until politicians, the media, and the public admit that the difficulty is not a lack of courage or indolent 'special' interests dominating the 'public' interest, debate will remain distorted and unproductive."

Zaki Naguib Mahmood, 88, an Egyptian philosopher and writer whose articles and books were widely read in the Arab world, died Wednesday in Cairo of illness related to diabetes. He wrote extensively about Arab culture and political affairs. He recently finished his autobiography, "The Harvest of the Years."

Guy Duvrier, 65, who created ready-to-wear at the Guy Laroche couture house, died Tuesday in Paris after a heart attack. Born in Noumea, New Caledonia, he studied painting at the Ecole des Beaux-Arts in Paris before turning to fashion. He worked with Chanel in 1955, for Dior in New York, and for Antonelli and Tiziani in Rome. Since 1972, he had designed along-

side Mr. Laroche, taking over on the couture's death in 1989.

Bruce Teicholz, 89, a World War II Resistance leader who helped to save thousands of Hungarian and Polish Jews from the Nazis, died Tuesday after a long illness. In 1942, he escaped from his hometown of Lvov, Poland, and became a partisan fighter against the Nazis, starting a group called Schweizer Aktion to save Jewish children.



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REACHING FOR PEACE / 'A NEW ERA'

Clinton Says U.S. Will Resume Contacts With PLO

By John M. Goshko
Washington Post Service

WASHINGTON — President Bill Clinton said Friday that the United States would resume contacts with the Palestine Liberation Organization, and he pledged that his administration would be "a full and active partner" in helping Israel and the PLO implement their peace agreement.

His endorsement of the Israeli-PLO accord as "the dawn of a new era" for peace came at a White House ceremony where he formally announced that he would be host at the signing of the self-rule accord in the White House.

The United States was a passive bystander during the seven months of secret negotiations in Norway at which the agreement was worked out. Nevertheless, Mr. Clinton was clearly eager to play a visible role in order to turn Monday's White House ceremony into a launching pad for a renewed effort to resolve those tracks of the peace process involving Syria, Lebanon and Jordan.

"The world owes Norway a great debt of gratitude," he said. But he described the secret talks there as complementary to the formal peace process and said they had succeeded

because they had provided a forum in which Israel and the PLO could work out problems that had been raised in the more public negotiating rounds here.

"I don't remember the exact date, but we've known for quite a while about the discussions in Norway," Mr. Clinton said in answer to a question. But he said the United States "didn't want to know much of the details" because the PLO and Israel were talking to each other.

A senior State Department official, who spoke with reporters later on condition that he not be identified, noted that the official Israeli and U.S. policies of refusing to talk directly to the PLO had meant that "the talks here lacked the authority to make decisions," since it was clear that only the PLO had the power to speak for the Palestinian side.

During the past week, he and other U.S. officials have responded to questions about why the United States was on the sidelines during the talks in Norway by quoting former Secretary of State James A. Baker 3d's observation that "the United States cannot wait peace more than the parties themselves."

The important thing, they insisted, was not the location or sponsorship of the talks but the fact that the Israelis and the

PLO were able to put aside three decades of animosity and engage in face-to-face talks.

Accord Is Welcomed Around the Globe

Around the world, the Israeli-PLO pact was greeted with enthusiasm and relief, Reuters reported.

"From the start, Russia was certain that dialogue with the PLO was indispensable," said a Foreign Ministry spokesman, Gregori Karasin. He said Russia, which along with the United States has co-sponsored the Middle East peace talks begun in October 1991, viewed the accord as a "historic and decisive step comparable with the fall of the Berlin Wall."

Foreign Minister Willy Claes of Belgium, representing the European Community's current presidency, praised the "courage and determination" of those who had negotiated the deal and said he would immediately start consultations to intensify EC contribution to the peace process. On Wednesday the EC Commission announced plans to grant \$600 million in extra aid to the occupied territories.

Japan's Kyodo news agency said Tokyo planned to offer aid to assist Palestinian self-rule in the West Bank and Gaza Strip.



Israeli Prime Minister's Statement

The Associated Press
Following is the text of Prime Minister Yitzhak Rabin's statement in English at the signing of the letter to Yasser Arafat, in which Israel recognizes the Palestine Liberation Organization.

I have just received a letter from Chairman Arafat in the name of the leadership of the PLO in which he takes commitments to recognize Israel and its right to exist in peace and security, to solve the long conflict between the Palestinians and Israel during negotiations in a peaceful way. He takes a commitment to end terror and violence, to renounce it. He takes upon himself to look at the articles of the Palestinian covenant as inoperative and no longer valid.

I see in this commitment on the part of the PLO a change, a dramatic change that opens the road toward reconciliation and peace between the Palestinians and Israel.

It is the first agreement between the Palestinians and Israel since the creation of the state of Israel. I am fully aware about the difficulties that face the Palestinians and Israel in a solution of our problems. I see in it a big step toward the achievement

of these goals, knowing that it's still a long way to go, with obstacles on the road that we shall have to remove, and it is possible to remove them.

I believe it starts a new era, an era in which we will do our best to achieve peace and security for Israel and at the same time to give the Palestinians the right, in the context of the agreement, about an interim period to run their affairs.

I believe that there is a great opportunity of changing, not only the relations between the Palestinians and Israel, but to extend it to the solution of the conflict between Israel and other Arab countries and other Arab peoples. It's an historic moment which hopefully will bring about an end to 100 years of bloodshed, misery, between the Palestinians and Jews, between Palestinians and Israel.

I would like to thank you, Mr. Jorgen Holst of Norway for your real efforts, for your involvement with the achievement of these papers. I want to thank you Shimon Peres for your efforts to bring about a success. As I said, it's only the beginning, but a tremendous, important beginning.

High Praise for Norway Mediator's 'Little Role'

Reuters

OSLO — Foreign Minister Johan Jorgen Holst has sometimes been criticized for getting too involved in encyclopedic details and for preferring behind-the-scenes diplomacy.

But these failings turned to strengths as he brokered negotiations between Israel and the Palestine Liberation Organization in which every detail of the deal leading to mutual recognition was essential.

Mr. Holst, 55, and four other Norwegian mediators — including his wife, Marianne Helberg, a Middle East researcher — provided Israeli and PLO negotiators with an informal family atmosphere in the meetings, backed up by good food and wine. The couple even played host to some of the 14 rounds of talks at their Oslo home.

"The talks were often close to crisis," said Mr. Holst, who confessed that he had hardly slept for weeks. He said he felt humbled by what he called "a little role" in the talks.

But he won nothing but praise for it.

Mr. Holst, a former defense minister, became foreign minister in April, taking over from Thorvald Stoltenberg, who resigned to become a U.N. ambassador and peace mediator in the former Yugoslavia.

"I took over a baton in a relay," he said of the Middle East talks.

Mr. Holst said in April that talks on Norway's European Community membership, which began this year, would be his main challenge and that he would try to contribute to efforts to end war in the former Yugoslavia. But he gave no hint of the PLO-Israeli endeavor.

Mr. Holst has said that both sides saw Norway as an honest broker, which had special knowledge because of a Norwegian research project into the living conditions of Palestinians in Israel's occupied territories that was conducted in the late 1980s.

As defense minister from 1986 to 1989, he worked to shift Norway's relations with Russia away from the confrontation of the Cold War.

Last year, he ran into trouble from the parliament for failing to consult before suggesting to Russian officials that they might like to take part in a North Atlantic Treaty Organization naval exercise off Norway.

Kaci Kullmann Five, head of the main opposition Conservative Party, said earlier this year that she had had "bad experience with his ability to listen and communicate with parliament."

Born in Oslo on Nov. 29, 1937, Mr. Holst has a master's degree from Oslo University. He did research work at Harvard University and at the Hudson Institute in New York.

He was a candidate to succeed Secretary-General Manfred Wörner of NATO last year, until Mr. Wörner's term was extended.

CLINTON: U.S. 'Guarantees'

Continued from Page 1

be expected to cope handsily with any cross-border military threat in the Gaza Strip and any other territory relinquished to Palestinian control.

Internal law and order will be the responsibility, in effect, of PLO units that swap their guerrilla outfits for police uniforms, according to a U.S. official. The official said that the planned arrangements amounted to "sending the PLO's gangs back to police the areas that Israel had chased them out of."

The most dangerous challenge for the future Palestinian authorities is likely to come from Hamas and other extremist Islamic groups that refuse to accept Israel's existence, not from dissident PLO factions defying the decision by Yasser Arafat and other leaders in his movement to renounce violence against Israel.

Warnings against any move to pledge formal security guarantees to Israel came from several Middle East analysts in Washington.

"Security obligations can be costly and dangerous because they are always undertaken on the basis of current circumstances and then do not work out when the circumstances change for the worse," said Douglas J. Feith, a former Middle East specialist on the National Security Council.

In the past, U.S. pledges to help enforce peace accords have often been made in an effort to get Israel and Arab nations to take a final step toward agreement. That pattern worked in promoting the Israeli-Egyptian peace treaty in 1979, and a similar U.S. bid has been publicly considered in Washington as a possible incentive for an agreement on the Golan Heights between Israel and Syria.

"Usually, U.S. pledges on security are intended as leverage to push Israelis toward territorial concessions that an American administration wants but which cause anxieties in Israel," Mr. Feith said.

That process worked well in fostering the Camp David peace treaty between Israel and Egypt and maintaining stability ever since in the Sinai, but the military arrangements have never been tested by any belligerent moves from either side.

Mr. Clinton evoked that precedent, saying that "most people are probably not even aware of the long-standing presence of American forces in a unilateral context in the Middle East in the aftermath of Camp David because it did work so well."

He said the United States had not made any specific decisions and would wait for proposals from the parties involved.

The arrangements for a Palestinian entity seem to have some need of any outside military help, the experts said, because the political breakthrough has already been made without such guarantees.

In Mr. Feith's view, the government of Prime Minister Yitzhak Rabin has concluded that it wants to escape the burdens of continuing occupation, hoping that its withdrawal will produce peace.



2 Signing Ceremonies, and 2 Styles

International Herald Tribune
The signing of the historic letters officially putting an end to decades of conflict between Israel and the Palestine Liberation Organization was a study in contrasts.

Yasser Arafat, chairman of the PLO, signed the letter recognizing Israel at a low-key occasion in the organization's offices in Tunis. Only the Norwegian foreign minister, Johan Jorgen Holst, who brokered the deal, and a few senior Palestinian leaders were present.

There was no official ceremony and no speeches. Mr. Arafat kept quietly in the background, disappointing hundreds of journalists who had expected him to make a speech.

Mr. Holst put the letter in his briefcase and took it to Jerusalem, where Prime Minister Yitzhak Rabin countersigned it, along with a text for the first time recognizing the PLO as the representative of the Palestinian people.

At a dignified ceremony at his office, also attended by Foreign Minister Shimon Peres, Mr. Rabin carefully read the four-page letter from Mr. Arafat to an audience of officials, uniformed army officers and journalists. He said it was the start of "a new era."

As he spoke, his voice mingled at times with chants of hundreds of rightist Israeli demonstrators outside shouting, "Death to Arafat."

What About This? And This? And This?

By Sabra Chartrand
New York Times Service

WASHINGTON — The mutual recognition accord and draft peace agreement between Israel and the Palestinians leave many questions unanswered, both large and small, about the practical aspects of creating two autonomous regions. Among them are:

JERICHO'S LIMITS: The Gaza Strip has clear borders, but how will the boundaries of Jericho be drawn? Will the autonomous enclave include only the small town, or extend to unpopulated and agricultural land around Jericho? How will the border be marked — with a fence, patrolled on both sides by security forces? How will people who live in Jericho but work in other parts of the West Bank or in Israel cross the border each day?

LINKING TWO SPOTS: The draft agreement refers to the Gaza Strip and Jericho as "a single territorial unit," but how will they be linked? The current plan does not include a corridor, although previous peace initiatives suggested one. So will there be an express shuttle? If the areas are autonomous, will Palestinians traveling between them have to pass through Israeli security checks?

TRAVEL: What documents can Arabs carry that Israelis will accept? Palestinians now use identity cards issued by the Israeli government. Will those still be necessary for travel, or will they be replaced by Palestinian passports? Will Palestinians have to travel overland through Israel to Amman, Jordan, or to Cairo or to Tel Aviv for international flights? Or will they be able to build an airport in Jericho or Gaza? Where will Palestinians in Jericho and Gaza get the drivers' licenses now issued by the Israelis?

PLO'S FREEDOM: How free will the PLO chairman, Yasser Arafat, and his aides be to cross Israeli territory to get from Gaza to Jericho, or to Jordan, or Egypt? There have been reports that Mr. Arafat plans to keep a residence in Jericho. Will he be able to drive to Tel Aviv if he needs to fly to London?

POLICE: The draft agreement calls for a Palestinian police force. Will the Palestinian police officers who resigned in the first year of the Palestinian uprising five years ago be rehired? The PLO has already said that many of its fighters, now scattered throughout the Arab world, would become police officers. Would these include some of the PLO fighters that the Israeli Army evicted from Lebanon in 1982?

BUREAUCRACY: Who will establish new government agencies? Palestinian-run schools and hospitals already function under Israeli authority. But what of creating government agencies to control tax collection, social welfare, tourism, economic development, environmental issues and energy resources? At least initially, there is likely to be a shortage of trained Palestinians from Jericho or Gaza to take on those tasks.

ELECTIONS: Palestinians must elect an interim self-government authority, or council, under the agreement. Who will organize the elections, register voters and political parties, and draft campaign regulations? How will candidates advertise? Israelis run all the television and radio stations. Will the Palestinians be able to start up stations in time to carry campaign ads and provide election coverage?

OTHER ISSUES: What currency will be used in Gaza and Jericho? Will the telephones operated by BEZEK, the Israeli phone company, still function? Will mail delivered by the Israeli Postal Authority still arrive? If Palestinians run Gaza's ports while the Israeli Navy controls the Mediterranean, who will decide where and when Arabs can fish at sea?

Palestinians: Where They Stand

A list of Palestinian organizations and their positions on the Israeli-PLO autonomy accord and the recognition of Israel.

FOR

Fatah. The largest single Palestinian movement, led by Yasser Arafat.

Democratic Palestinian Union. A breakaway faction of the Democratic Front for the Liberation of Palestine led by Arafat's spokesman Yasser Abed Rabbo.

Palestine People's Party, formerly the Palestine Communist Party, led by Sulaiman Najab.

AGAINST

Popular Front for the Liberation of Palestine, led by Georges Habash. PFLP announced Friday that it was withdrawing from the PLO's Executive Committee.

Democratic Front for the Liberation of Palestine, led by Nayef Hawatme; withdrew Friday from the PLO Executive Committee.

Palestinian Liberation Front, led by Mohammed Abbas.

Arab Liberation Front, led by Maherul Ishmail.

Popular Struggle Front, led by Samir Goshie.

Popular Front for the Liberation of Palestine - General Command, the leader, Ahmed Jibril, has threatened to kill Yasser Arafat.

Saiqa, Syrian-backed group led by Issam Qadi.

Non-PLO groups opposed:

Hamas, Islamic Resistance Movement.

Islamic Jihad in Palestine.

Fatah-Intifada, breakaway from Fatah, based in Damascus and led by Abu Musa. Has called for Arafat to be killed.

Source: AFP

ARABS: Arafat Faces a Revolt

Continued from Page 1

resign and would strive to work within the organization to change the decision. Other opponents said they could no longer go on serving in Mr. Arafat's cabinet.

Shafiq Hout, the PLO's representative in Beirut, said he could not tolerate "the concessions made by the leadership." He said he was particularly upset because the accord did not appear to take into account the fate of Palestinian refugees in Lebanon.

In other Arab capitals, some of the most radical groups in the Palestinian nationalist movement denounced the accord as a sellout of their rights and vowed to do all they could to sabotage Mr. Arafat's efforts to carry out a peaceful solu-

Actual Signers Still in Doubt

Ranking PLO Official, and Foe of Pact, May Refuse

Compiled by Our Staff From Dispatches

WASHINGTON — More than 1,000 dignitaries could attend a White House ceremony on Monday for the signing of the peace agreement between Israel and the Palestine Liberation Organization.

The event on Monday should mark the historic importance of the occasion, a senior White House official said.

The biggest uncertainty involved who would sign the accords for both sides.

Foreign Minister Shimon Peres of Israel is expected to represent Israel. But PLO will have problems if it, too, is to be represented at the foreign minister level because the leader with the rank of foreign minister, Farouk Kaddoumi, is strongly opposed to the agreement.

In Tunis, PLO officials said Friday that the architect of the autonomy deal, Mahmoud Abbas, would sign the agreement if Mr. Kaddoumi refused to go. Mr. Abbas, who is also known as Abu Mazen, is in charge of the PLO's department of Arab and international affairs.

"If Farouk Kaddoumi, head of the PLO's political department, refuses to go to Washington to sign the accord," Mr. Abbas will go in his place, the Palestine Liberation Organization's information department said.

Mr. Kaddoumi said earlier this week that he believed that the autonomy and recognition accords "harm the inalienable national rights of the Palestinian people and the PLO charter."

President Bill Clinton said Friday that it was up to Israel and the PLO to decide who would sign.

"Whoever they decide will be here in fine with us," he said.

ACCORD: Jordan Expects Peace Agenda With Israel

Continued from Page 1

and Israel could take some time, the king said.

"But certainly the process leading to resolving all the problems as they relate to Israel and Jordan — the beginning will be very, very soon," he said.

Chance for Reconciliation
Clyde Haberman of the New York Times reported from Jerusalem:

As he signed a starchy worded letter declaring Israel's recognition of the Palestine Liberation Organization, Prime Minister Yitzhak Rabin said Friday that history had handed Israel a chance for reconciliation with the rest of the Arab world and not just the Palestinians.

"I believe that there is a great opportunity of changing not only the relations between the Palestinians and Israel but to extend it to the solution of the conflict between

Israel and other Arab countries and other Arab peoples," Mr. Rabin said at a signing ceremony whose simplicity belied the seismic shift in Middle East relationships.

"It is an historic moment which hopefully will bring about an end to 100 years of bloodshed, misery between the Palestinians and Jews, and Palestinians and Israel," he said.

In addition to progress on an Israel-Jordan agreement, some Israeli officials have said they hope in the ongoing talks in Washington to put their negotiations with Syria on a fast track. But there was no sign of that happening for now.

Rather, the focus was on the Israeli-PLO mutual recognition agreement, although in many respects it was a day of anticlimax. The real deals had finally been struck on Thursday.

In Jerusalem, it was as though people needed to catch their breath after an extraordinary 24 hours in which Israelis and Palestinians turned decades of agonized history on its head, recognizing each other and, on the PLO's part, affirming Israel's right to exist in peace and security and forswearing terrorism and other violence.

Mr. Rabin's signing of a letter recognizing the PLO as "the representative of the Palestinian people" followed by about 10 hours a similar event behind closed doors in Tunis, where Yasser Arafat, the PLO chairman, signed letters recognizing Israel, renouncing terrorism and calling for a "normalization of life."

As expected, the ceremonial flourish was followed in Washington with an announcement by President Bill Clinton that the United States would resume a dialogue with the PLO that had been broken off in 1990 after Palestinian guerrillas made a failed attempt to attack an Israeli beach.

Also as expected, the Americans said that arrangements were being made for a large White House ceremony on Monday when Israel and the PLO will sign a companion agreement to introduce Palestinian self-rule to Israeli-occupied territories, starting in the Gaza Strip and the West Bank city of Jericho.

Foreign Minister Shimon Peres of Israel was expected to attend the Washington ceremony for Israel, while Mahmoud Abbas, also known as Abu Mazen, the chief PLO negotiator for accord on self-rule, was expected to represent the PLO.

Soldiers Shoot 10 In Gaza Protest

Agency France-Press

GAZA, Occupied Gaza Strip — Soldiers shot and wounded 10 Palestinians protesting the PLO's reconciliation with Israel on the occupied Gaza Strip on Friday, witnesses said.

The shooting came as Muslims left the mosques after Friday prayers. Six people were shot in Rafah, on the border with Egypt, as the army fired on masked Palestinians in a demonstration. A 16-year-old boy was seriously wounded in the head.

In Gaza City, soldiers clashed with supporters of Hamas, the Islamic Resistance Movement, as about 300 people protested the PLO's accord with Israel.

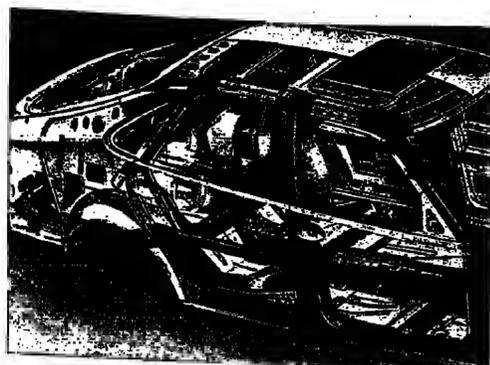
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010



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*Centre head restraint is an option

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"Card-players," one of 20 outstanding paintings by Cézanne in the Barnes collection.

Barnes Collection Comes Home

By Michael Gibson
International Herald Tribune

PARIS — The famous Barnes collection has finally reached Europe, after several months at the National Gallery in Washington.

Although the exhibition, at the Musée d'Orsay through Jan. 2, includes only 72 of the 2,000 works assembled by the brilliant and idiosyncratic Dr. Albert C. Barnes in the first half of this century, these are outstanding examples of 20th-century European paintings. The exhibition will travel to the Museum of Western Art in Tokyo, Jan. 21 through April 7.

Barnes' will stipulated that the works housed in the Barnes Foundation in Philadelphia could be neither loaned to other institutions nor photographed in color and, while these provisions have been overturned by the courts, it appears most unlikely that any of these paintings will again be seen outside the foundation building in the foreseeable future.

In this instance, faced with the need to restore the building sheltering the works and, conceivably, pressured by the gunboats of the "democratization of art," the foundation decided to allow some of the paintings to be exhibited elsewhere.

The decision has inevitably prompted controversy. On the day the exhibition opened at Orsay, some former students of the foundation held a press conference in Paris. Travel, they claimed, is dangerous for certain works and the prolonged absence of so many of them jeopardizes the educational program conceived by Barnes.

The public can hardly complain, however. The importance of this show hinges upon the exceptional quality of the works presented, and upon the conclusions we are led to draw from the life and accomplishments of Barnes himself.

Albert C. Barnes (1872-1951) was born in Kensington, a working-class district of Philadelphia, where his father was a butcher. An exceptionally brilliant youth, Barnes graduated

from medical school when he was only 20 and, two years later, moved to Berlin to study clinical medicine and experimental physiology. Returning to the United States, he spent six months studying psychopathology in a mental institution in Warren Pennsylvania.

Toward the end of the century, the pharmaceutical company that had hired him as director of sales and advertising sent him to Heidelberg to study pharmacology. At his own initiative, he also took philosophy.

Shortly thereafter he and the German chemist Herman Hille invented a substance that turned out to be effective against eye inflammation, and called it Argryol. This was the source of Barnes' considerable fortune.

His factory became a focus of pioneering social experiments. He reduced work to six hours a day, created study groups for his workers and, being particularly concerned with creating educational opportunities for black Americans, he encouraged black and white employees to reflect together on the writings of Henry James, Bertrand Russell and John Dewey.

Affluence also allowed Barnes to indulge his far-reaching intellectual interests. He was among the first to defend the ideas of Sigmund Freud in America. In time he became fast friends with John Dewey, who later declared he had never met anyone who equaled Barnes in sheer brain power.

In 1912, Barnes, who had once tried his hand at painting, began taking an active interest in collecting. He sent an old school friend, the painter William Glackens, to Paris to buy modern paintings. Glackens met Leo and Gertrude Stein, as did Barnes, who followed him a few months later. They introduced him to the finest artists of the day.

Barnes, with his insatiable intellectual curiosity, bent his keen mind to understanding what art was about. He applied his knowledge of Freudian psychology to the creative act and, while some of the key factors escaped him, he published various essays including his 1925 "Art of Painting" which Alfred Barr Jr. called "an important book."

Barnes, who considered Renoir the greatest painter of his day, bought at least 175 of his works, 17 of which are on view at Orsay. These include some charming items: a large Renoir family portrait, a delicious portrait of Jeanne Durand-Ruel as a little girl, as well as a number of moody typical of that artist's easy-going sensuality.

Cézanne is represented by 20 outstanding paintings, including some admirable still-lives and a monumental version of the famous "Card-players," whose modest participants appear to have been transfixed and transported into eternity. Van Gogh's endearing portrait of his postman friend Joseph-Etienne Roulin is coupled with a highly significant but repulsively brutal nude.

SEURAT'S large composition entitled "Poissons" shows three studio-models posing in front of his "Grande Jatte," and Toulouse-Lautrec's sensitive portrayal of his favorite model, Carmen Gaudin, casts her, this one time, as a weary young prostitute.

Barnes bought several major paintings by Henri Rousseau, three of which are on view. They include a marvellously dramatic scene in which an Arab on horseback is seen driving off a voracious tiger that is attacking his fallen comrade. The horse looks like some strange steed conceived for a Steven Spielberg movie.

Picasso, Modigliani and Matisse are three of the remaining major figures who are significantly represented in this exhibition, each one by works of exceptional quality. Matisse's "Bonheur de vivre," which Leo Stein found disconcerting when he first saw it in 1906, can still seem strange today. It is, in a sense, a manifesto in the shape of a painting and, as such, it stands beside Picasso's "Démolisseurs d'Avignon" as a key painting of this century.

All these paintings are presented not in the temporary exhibition space but, exceptionally, in the main part of the Orsay Museum, occasionally mingled with other works by the same artists belonging to the Orsay collection.

At Auctions: What Recession?

LONDON — The first shows of the opening art auction season were being fired this week. The outcome is astonishing. It is as if there had been no recession.

The big sale was held at Phillips on Wednesday where the subject was European Pottery and Porcelain (with a small contingent of glass) ranging from English delftware to porcelain from famous manufact-

ware to Thomas and John Wedgwood from 1749 to 1763. The style was different from that of West Pans. In 1770 Lütler left for Scotland to found the manufacture at West Pans. As Watney informed Sandon, recent excavations have revealed that he produced blue-glazed stoneware as well as porcelain. Sandon realized that he had stumbled upon the only surviving piece of blue-glazed stoneware from that period decorated with the gilt patterns otherwise reserved for porcelain. A wave of excitement ran through the world of specialists, museums included. On

Wednesday the object climbed to £3,780 (about \$5,820), very far above the conservative £300 to £500 estimate.

The room was overexcited by then. The next two outstanding rarities went through the roof. A teapot in so-called Whieldon ware molded on two opposite sides with the portraits of George III and Queen Charlotte, probably to commemorate their accession to the throne in 1760, shot up to £4,140. The delicate glazing with alternate bands of almond green and ochre and its mint condition despite its brittleness helped. But a more severe Staffordshire teapot with Chinese patterns under a chocolate glaze nearly multiplied its estimate fourfold to £3,335, despite massive restoration to the cover.

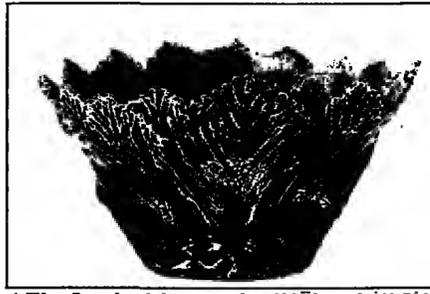
had met with the approval of Villacasso doing ceramic designs at Vallauris — and things could not have gone better for English pottery.

Much the same is true of the English porcelain that followed. Two bottles of the late 1750s from the Bow manufacture in London, finer in shape than most I have seen and painted with sprays in the restrained English style, were a marvelous buy at £3,320. Later, a pair of Royal Crown Derby ewers decorated by Désiré Leroy, that every dealer and collector wanted, climbed to £8,050. Dated 1897, they reflect the high point of kitsch in ornate porcelain of

ture — Derby, Meissen, Vienna. The rare and exquisite appeared in small doses, the pleasant run-of-the-mill was abundant — not least one sensational discovery of the kind that takes place once in a decade: helped concentrate attention.

The story as told by John Sandon, Phillips' leading expert in ceramics, is delightfully simple. Sandon had gone off to Wales to make a selection for Wednesday's sale out of 1,000 pieces from an estate. They had been gathered over a couple of decades by a man whose profession Sandon will not reveal and who took up dealing as a hobby. Was he highly knowledgeable? He had a very keen eye for the unusual," Sandon says.

As he went through it all, the expert's eye was caught by a vessel that looks as if it had been made from leaves molded in clay under a pretty glaze known as "Lütler's blue," with gilt patterns added in a second firing. Sandon instantly recognized the shape, well known in Longton Hall porcelain in the 1750s. The gliding, on the other hand, reminded him of the porcelain made in the Scottish manufacture of West Pans. But this was salt-glazed stoneware, not porcelain. The object fitted nowhere.



A West Pans bowl that started at £300 brought £3,780.

ed the sale in a most wonderful way, detached and courteous, never rushing bidders as could have been done three decades ago.

One good sale says little. What does say a lot, added to that, is the success of two downmarket sales this week. On Wednesday, at Christie's South Kensington, precisely at the time when Phillips was holding its sale, James Collingridge was conducting a sale of furniture best defined as the last rung in the ladder before you get down to junk.

The honey pieces ranged from pleasing unpretentious 18th- to mid-19th century furniture, rarely in mint condition, to Edwardian revivalism and downright modern copies. More than 82 percent of the lots offered sold given, the nature of the merchandise, is astonishing — only complete duds, generally by virtue of condition, were left stranded. No one looking at the massive mahogany bureau à cylindre (rolltop desk) or at the Victorian dwarf side-cabinet with its fussy inlay and bow-glazed side compartments would have sworn they would find buyers. But sell they did — the rolltop desk for £1,870, the side cabinet for £1,760. There is no shortage of Louis XV-style giltwood canapés (sestoes) of the late 19th century, yet one more managed to pull through at £1,210.

the period. But, Brian Haughton, the well-known London porcelain dealer who underbid them, says they are of extraordinary rarity in that condition.

What makes Wednesday's sale a true market success, however, is not so much the brilliant sale of the gems everybody was after. It is the easy and highly successful sale of pieces that was at all worth looking at. A Caughley cabbage leaf jug with a molded mask on the underside of the pouring lip, exquisitely colored but not rare, made £322. A Derby plate painted with flowers in the manner of William Billingsley, unusual with its garland forming a five-pointed star pattern but not earthshaking, ascended to £207.

There was hardly any lapse of interest at any point. Countless commission bids had been left with Jo Marshall, one of the department's three experts who conduct-

work alongside Oldenburg, and it is actively searching for a secondary exhibition space.

Oldenburg has been instrumental in helping shape these plans, and his decision to step down is seen by many in the art world as a way of clearing the decks for a new administration.

"This wasn't an easy decision to make, but I think it's for the best," Oldenburg said in a telephone interview. "As the museum approaches the 21st century, I believe there should be new leadership to carry on the museum's mission."

Oldenburg said he felt it was better to step aside "sooner rather than later," and he added that he recognized how much work would be involved in the institution's further

growth. "I could never have been able to see it through, and I think there's a lot to be said to seeing a project from start to finish," he said.

Oldenburg joined the museum in 1969 as director of its publications department. He became director in 1972. After he steps down as director, Oldenburg will become the museum's director emeritus and serve as an honorary member of the institution's board of trustees.

ON Thursday, the scene at Christie's South Kensington switched to the Far East. Very different in its makeup, it was not an easy sale either, on the face of it. It started with a large contingent of cloisonné enamels of the kind sought after essentially by the Western clientele. In other words, by collectors with modest means, worst hit by the economic difficulties of the moment. But it all sold. The earlier pieces were well-received, from the 18th-century immense burner (592) or the small center box and cover of the same period (2220) to the large moon flask (8935) of the Jiaqing period (1796-1821).

The late Japanese enamels produced en masse for export to the West in the Meiji era were as much in favor, which is more surprising. In a typical sequence, three late 19th-century dishes went for £550, £275 and £418. In the end, over 80 percent of the lots were sold. Failure stemmed mostly from excessive damage or lack of any age.

Oldenburg Resigns as MOMA Director

NEW YORK — Richard E. Oldenburg, the director of the Museum of Modern Art for the last 21 years, has resigned, effective June 30. During his tenure, Oldenburg oversaw the expansion of the museum building to more than double its size, increased both the museum's endowment and its attendance and helped organize several blockbuster exhibitions.

The resignation of Oldenburg, 59, apparently came as a surprise to some members of the museum's board. Since early this year, the museum has been considering a reorganization of its administration. Last January, it announced its intention to hire a paid president, to

work alongside Oldenburg, and it is actively searching for a secondary exhibition space.

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In both Christie's South Kensington sales, the auctioneers were experts in their fields who knew what is what and who was who. Like the John Sandon-Jo Marshall team at Phillips, they are action-behind-the-scenes of the old school who do not believe in playing around with estimates nor in forcing the bidder to climb higher than he plans to. There is more than coincidence in the high scores that all achieved in sales differing in quality and price range. This probably sets the tone of the opening season.

THE ROAR OF THE CROWD: How Television and People Power Are Changing the World

By Michael J. O'Neill, 228 pages, \$21. Times Books.

Reviewed by Jonathan Yardley

STUDENTS of political and cultural events will find little new in this once-over-again survey of how the world has been changed by communications in general and television in particular.

Michael J. O'Neill, former editor of the New York Daily News, has written what amounts in a synthesis of the most important knowledge and opinion on the subject; the result is that those in the know are likely to regard "The Roar of the Crowd" as little more than a primer.

But because he paints his portrait with broad strokes and presents information lucidly, O'Neill's primer will be of great use to many lay readers who would like to get a handle on the communications revolution but have been scared off by the jargon-infested prose with which so much of its literature is infested.

"An astonishing surge in new communications technology," O'Neill writes, "has for the first time in history put nearly all the earth's peoples in continuous, emotional contact with one another."

Radio, television, computers, and satellites flood the world with images and information, expanding the universe of daily experience, accelerating the tempo of life to nervous limits, and compressing nations into ever closer, more dependent, and tenuous relationships."

In O'Neill's analysis this revolution has six clear aspects: An explosion of knowledge has reached the masses, breaking "the monopoly of the world's literate classes," societies shaped by mass media are coming to dominate the world; what O'Neill calls "people power" is becoming near-universal; leadership is becoming responsive to media demands, with telepresence becoming more important than ability; media-dominated politics have led to a style of governing more reactive than reflective, controlled by emotive public opinion manipulated by the media; the old world order has been thrown into chaos as television puts every nation and its people in immediate contact with every other.

What is most evident is that the once-powerless are acquiring power.

The clear fact is that the masses that until recently were led, and manipulated, by the elite are now in a position, thanks to television, to form opinions about events affecting their lives and to demand that those opinions be respected.

"The poor... see in the living imagery of the screen what is possible as well as what is wrong in their lives. They learn from the experiences of others that human misery is not necessarily a mandate of fate, redeemable only in a later life, but something that one might be able to overcome in the present world."

What we have as a result is the "revolution of rising expectations" of which Adlai Stevenson spoke four decades ago, though he cannot have imagined either the causes that would produce it or the effects it would have. The collapse of the elite turns out to be a decidedly mixed blessing. If on the one hand it has brought a welcome democratization to public affairs, on the other it has led to special-interest politics and paralysis of leadership.

"Television uniquely sweeps knowledge across the barriers of

literacy," O'Neill writes, "transforming all of life into moving images and sensory stimuli. It creates impressions instead of ideas and emotions instead of thought." This is scarcely an original observation, but O'Neill places it in proper context, emphasizing the ways in which a society dominated by the mass media has developed not merely a lowest-common-denominator culture but also a lowest-common-denominator politics.

For the most part O'Neill keeps his opinions to himself, preferring to analyze rather than pontificate, but he is worried about the future of a world in which pictures count

for more than words, and emotion for more than reason. He has reason to worry. "People power" is all well and good, but power without knowledge is something else again.

Jonathan Yardley is on the staff of The Washington Post.

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OPINION

Herald INTERNATIONAL Tribune

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Mideast Peace: Fine Words Backed by Solid Commitment

By Jim Hoagland

WASHINGTON — Words, words, words. That is all we have from the Israelis and Palestinians as they wrap up the first, declaratory phase of their promised peace.

as proof that peace with the beasts on the other side is not possible.

But that view is too narrow and reflexive. Incredibly, Israelis and Palestinians have established a foundation for working together to overcome the upheaval sure to follow the signing ceremonies in Tunisia, Jerusalem and Washington.

The initial actions of Mr. Rabin, Foreign Minister Shimon Peres and Mr. Arafat, the main architect of this deal, all point to a solid commitment to working together that has not been shaken by the first challenges to the accord.

Conventional wisdom holds that the deal struck in secret in Oslo is precisely the same one that Mr. Arafat could have had after the Camp David accords of 1978. In a formal sense that is true. The PLO chairman has accepted the interim arrangements for autonomy on the West Bank and in Gaza that he and the rest of the Arab world rejected 15 years ago.

But there is a major difference. If he had accepted Camp David in 1978, Mr. Arafat would have been negotiating with an Israeli government determined to thwart any deal that would have required Israel to give up territory in the West Bank.

The Palestinians now deal with a Labor-led coalition that has an open mind about what the future holds for the West Bank.

Since word of the secret Oslo accord broke, Mr. Rabin, Mr. Peres and the key Israeli negotiators in the Washington talks, Ambassador Itamar Rabinovich, have been artfully vague on all topics, including Jerusalem and future security arrangements for Israeli settlers.

This refusal to gloat over Mr. Arafat's signing of a document of surrender is a promising sign. It suggests that the Israeli leadership understands that just as Israelis had to be reassured by the renunciation of terror and of the belligerent Palestinian covenant, the Palestinians need to be reassured about Israeli intentions to bring an end to the occupation begun by the 1967 war.

But the Palestinians would be foolish if they joined Mr. Begin's successors in the Likud coalition in thinking that Mr. Rabin and Mr. Peres, who were central architects of Israel's 1967 triumph, have suddenly gone ga-ga and are recklessly gambling with Is-

raeli security on the basis of Mr. Arafat's promises.

Mr. Rabin is playing the de Gaulle card in using the politics of force to shape the environment for peace.

Early decisions to deport 400 Palestinian families and to bombard Lebanon for a week, attacked abroad at the time, renewed his government's credibility at key moments on the road to Oslo.

Both the inevitability of a Palestinian state springing up on the West Bank and the impact that development would have. Appearing on U.S. television the other night, a PLO official, Nabil Shaath, argued that founding a state would relieve Palestinian frustrations and remove the desire of Palestinians to commit violence against Israelis.

That seems as exaggerated as the Likud view that any kind of Palestinian state increases the means available for the murder of more Israelis. States are what people, their leaders, their economic resources and their neighbors make of them, not preordained instruments of love or violence.

It is not written in the stars that there will be a Palestinian state, or a Palestinian-Israeli peace. Everything is open. That is the magnificent accomplishment of this first phase of the Israeli-Palestinian peace effort.

The Washington Post

To Honor This New Peace

Generous Aid Is Vital

Yasser Arafat urges Palestinians to reject violence and work for reconstruction, development, cooperation and "the normalization of life." The Palestine Liberation Organization renounces armed struggle and recognizes Israel's right to exist "in peace and security."

Yes, you are reading these words in the newspaper. The Middle East, biblical land of miracles, has spawned these modern-day astonishments that almost defy belief.

That is not all. Officials recognized each other, Israeli and PLO officials will sign an agreement Monday in Washington on the first stages of Israeli military withdrawal and Palestinian self-rule in the Gaza Strip and West Bank.

The world is entitled to some skepticism. But the most constructive contribution Americans and others can make would be to quickly mobilize the moral and material support needed to translate these agreements into a lasting peace.

Credit is due to two aging combatants: the former general Yitzhak Rabin and the former terrorist Yasser Arafat. There is no moral equivalency to their pasts. But there is a mutually recognized symmetry in their present accomplishment. Prime Minister Rabin takes a wise and brave gamble that he can better protect Israel's security, democracy and values by a responsible political compromise than he could by indefinite occupation of Palestinian lands. Mr. Arafat, the PLO chairman, risks his

prestige and his life by standing up to radicals who hold out for the same maximalist demands he himself used to proclaim.

Both protagonists are looking over their shoulders at political challengers and sense that their own time is running out does not diminish the historic nature of their agreement. When lifelong enemies embrace, and each uses his political force to the successful working out of a delicate compromise, peace has a rare chance.

But with violence and suspicion endemic in the occupied territories, that chance is fragile. Irreconcilables on both sides are sure to challenge the emerging peace. How will Palestinian police in Gaza and Jericho respond to outbreaks of terrorism? How will the Rabin government react if Israeli hard-liners seize on terrorist provocations to demand the scrapping of peace arrangements?

Ordinary Palestinians are more likely to rally behind the agreement's territorial compromises if they see material improvements in their daily lot. But a quarter-century of occupation, violence and neglect has run down infrastructure, bled capital and wasted potentially productive lives.

Israel and the PLO have taken the vital first steps. Will the outside world protect their accomplishment with financial support for the rebuilding Mr. Arafat urges in place of violence? By assembling a generous and carefully targeted package of reconstruction and development aid, the world can honor this welcome opening toward peace in the Middle East.

—THE NEW YORK TIMES

Ahead, Heavy Lifting

Startling change around the world in recent years has compelled a wholesale revision in thinking about what is possible and what is not. Still, an awful lot of people are bound to find it impossible to imagine that Israel and the PLO are coming to terms.

Their feud was so bitter, so historical, so "cultural" was it generally deemed to be that even when the United States drew Israel and Palestinians into talks two years ago, few believed agreement was within reach. Yet these inveterate foes, after protracted secret negotiations, now agree on mutual recognition and are about to apply Palestinian self-rule and Israeli withdrawal in Gaza and Jericho in the West Bank. Thoughts of deepening and broadening these measures are stirring.

For the diplomats, much heavy lifting lies ahead. Look how far the conditional "mutual recognition" just agreed upon is from what people elsewhere would mean by that term: The PLO agrees to recognize Israel's right to exist, while Israel agrees to recognize the PLO as representative of the Palestinian people for maintaining the peace talks.

For the politicians, the work is no easier. They must protect their experiment in peace-

making from the many citizens in both camps who have doubts, not to speak of those, especially on the Palestinian side, who have guns. The geopolitical and local considerations that drew the parties out of hostility and into negotiation are far from guaranteeing practical success.

The parties and most observers had become accustomed to saying that only a vigorous American role would make Israeli-Palestinian talks work. Yet the breakthrough was made in secret meetings of which the United States was not even aware. This may bruise some Americans' pride, but it cannot be cause for official malingering. The American role was always conceived of, by its wisest advocates, as facilitator and safety net. In this context, the United States has done, and still must do, plenty. In the Cold War and Gulf War, Washington set the strategic stage. It set up the peace talks, which produced a back-burner initiative that would have been inconceivable without the front-burner stimulus. It now endorses and prepares to sustain the emerging new order. The Clinton team is being chided for irrelevance and detachment by some of the people who usually argue that in those matters Washington is too frontal and pushy. What counts is what happens on the ground.

—THE WASHINGTON POST

The Risks Will Not End But the Opening Will

By Roger Harrison

COLORADO SPRINGS — Those opposed to the historic agreement toward peace in the Middle East argue that it will lead within a few years to a Palestinian state and therefore to the fatal undermining of Israel's security.

How great is that risk? First, it may very well be that the outcome will not be an independent state.

Many Palestinians will privately admit that independence makes no sense, and that confederation with Jordan is by far the better choice. There are enormous economic benefits to be gained by removing artificial barriers to communication, travel and trade in the area.

But whether independent or not, any new Palestinian authority in the occupied territories will have to be far less concerned with Israel's destruction than with its own survival.

A new Palestinian administration on the West Bank would preside over an economy less than 2 percent the size of Israel's, with an output of about \$1 billion a year.

It would have no army worth the name and no means of acquiring one, since all the money squeezed from reluctant Gulf states will be required for more urgent problems. And these will be legion, including dire needs in nearly every sector of society — basic services like education, health care and public transportation.

The new leaders will have to build government institutions from the ground up. They will also have to keep the aid flowing, and to ensure continuing income from Palestinian workers in Israel. But aid and income will flow only if the new government keeps the peace.

There will also be immediate security problems to contend with — not from Israel but from radical Arabs.

We have heard elder declarations of hostility from militant Palestinian leaders like George Habash and Nayer Hawatmeh. Nor is it likely that the militant group Hamas will quietly concede Fatah's preeminence.

Suppose the radicals win the battle for control and the new Palestinian government evolves into a center for terrorism. That would not be a happy outcome, but it is hard to see how that development would be a greater threat to Israel's existence than the situation now.

Among other things, a radical Palestinian state would be surrounded by nations with no interest in supporting it. Egypt, Jordan and even Syria (assuming an agreement is reached on the status of the Golan Heights) will all have a stake in peace.

None would welcome the increase in power of radical interests that a militant state would portend. They would all have potent means of influencing the new Palestinian leaders.

Now would the Gulf states look favorably on such a development. So any move in a radical direction would mean estranging the Palestinian leadership from its main sources of political and economic support.

But what if the fundamentalist fever spreads throughout the Middle East, toppling moderate governments in Egypt and Jordan and the despotic but cautious leadership in Damascus?

A danger surely, but not one Israeli occupation helps deter. The fundamentalists and other radicals have used the occupation for decades as their chief rallying cry — their "leader to power," in King Hussein's phrase. Removing that leader will cripple them, which is why they are determined to scuttle any agreement.

And what, finally, if realpolitik does not work? What if hatred and

The Challenge of All This Good News

By Flora Lewis

THE HAGUE — The roller-coaster ascents and plunges through international scenery in the past few years have been dizzying. We are whipped from euphoria to distress and back. No wonder brows furrow and people ask uneasily what is becoming of the world.

Now, facing the extraordinary approach of an Arab-Israeli peace accord, it is important to take counsel from these experiences and understand the sober challenge of good news. Solitons are a beginning, a whole new set of headlines, even if they put an end to far more dangerous threats and open heartening opportunities.

In less than four years, barriers which seemed insuperable have crumbled. Germany has been reunited. The countries of Eastern Europe are free. South Africa has rejected apartheid and is working out a functional democracy. The Soviet Union and its Communist system have collapsed. The European Community has achieved its single market and is on the way to enlargement, and I do not doubt, firmer unity.

Already some Israelis are talking about a future Palestinian state and some joint responsibility for Jerusalem. The prospects have suddenly become quite good for Israel to reach peace accords with all its neighbors, a profound change in the geopolitical situation of a vital region. The direction is clear.

But unless other developments are inevitable if these dramatic changes are taken to mean no more trouble ahead. The wars in Yugoslavia and parts of the ex-Soviet Union demonstrate that people can always be counted on to get themselves into trouble somehow, and that despite the exhilarating surprises of recent years it always takes effort, choice and conscious will to get out of it.

But there must be a recognition of how much better the choices have become and of how much more rewarding the efforts now required can be. Is it really easier to

hold out grimly against the worst than to draw on resolve to make use of chances for better? I don't think so, if relief isn't foolishly transformed into indifference.

This has been a terrible, terrifying century, but there have been useful lessons. They are above all that the past cannot be undone but the future is not inevitable. It is constantly shaped by the present, sometimes in unforeseen ways.

The ravages of the past do not disappear with its conflicts. They have to be actively cleared away, ruin by ruin, as the new work of construction is undertaken. This is painfully evident in the former Communist countries. Economically, environmentally, psychologically the damage was much greater than was realized.

Just lifting old constraints does not make the world anew. There never was a golden age to recreate. There were better times and worse times, and although nature plays a part, it is mostly people's behavior that makes them so. That awareness must be the crux to moving on now.

Coming all at once in so many parts of the world, the tasks imposed by the opportunities look overwhelming, even depressing compared with the resources readily at hand. All these trouble spots need money, support, assurances to help launch new societies, to open new productive patterns.

After a much pain and misery in reaching the new thresholds, this is not the time to flinch. Ashes will not sprout roses overnight, but seeds are being sown and merit careful, energetic cultivation. The people directly involved bear the greatest burden — and the greatest risk, not by making peace but by failing to grasp for it.

They deserve all the encouragement the rest of us can provide, with the understanding that there will be setbacks but that nothing so great as the obstacles already overcome. They will be making peace and prosperity for all of us, too.

© Flora Lewis

A Start on National Service

Congress handed President Bill Clinton his first major policy victory this week when it passed his national service initiative. True, the three-year, \$1.5 billion plan is small compared to the \$11 billion program he originally proposed. But it is a worthy start for a good idea.

National service, along with welfare reform, lay at the center of Mr. Clinton's claim to be a "New Democrat" who would be government help to reciprocal obligations. Originally he promised to offer all Americans enough money to attend college if they performed public service for a few years in return. When the president got down to proposing a budget plan that would whack \$500 billion off the deficit, his grandiose promise quickly shrank. But the

administration preserved a skeletal plan. The bill Congress passed Wednesday will help about 100,000 students over three years with tuition grants of about \$9,500 and subsistence wages. In exchange, they will serve for two years in schools, hospitals, playgrounds and anywhere else that participating local governments and nonprofit institutions can put them to good use.

The fact that budget restraints have forced the program to start small may be a disguised blessing. The administration can tightly supervise the program, make it work well and then prove to Congress that it warrants a big boost three years hence.

—THE NEW YORK TIMES

Bosnia: After All the Empty Threats, It's Time to Accept Partition

By A. M. Rosenthal

NEW YORK — Here on the table is a recent open letter to President Bill Clinton urging the United States to lead a Western air war against Serbia to save Bosnia and Bosnian Muslims.

And here, in the newspaper, is Mr. Clinton telling the president of Bosnia to make the best partition deal he can with the Serbs and Croats because the United States will not be coming to the rescue.

The letter was signed by some outstanding people in literature, journalism, diplomacy and politics, who have studied and spoken on Bosnia with thought and consistency.

On Bosnia, Mr. Clinton and his aides have been consistent only in

confusing the world. And yet I think it is the president who is right to say take partition, and signers of the letter wrong to ask him to continue and expand the war by attacking Serbia.

It is wrong because it is too late, because we cannot pick up the shards after the bombing, because Western war against Serbia could spread war through and beyond the Balkans and make the destiny of Boris Yeltsin, because neither Europe nor the American people want it.

Attacking Serbia will do nothing except make bloodier the end of a war that never should have taken place, could have been prevented be-

fore it began or stopped after it started. It was not the result of immutable historic forces but of the combined catalytic catastrophic stupidity and arrogance of officials in Western Europe, the former Yugoslavia and the United States.

I have never been more separated on an issue from so many colleagues, friends and political kinmen I respect. I discount all the sudden hero-warriors, the journalists and politicians who had made a career of hounding the armed forces they now summon to action, who would have watched Saddam Hussein gobble up huge parts of the Middle East.

I am talking about Americans and Europeans who stood always against fascism, communism and terrorism, and now call for action against Serbia. So I keep examining for myself the reasons I do not agree, trying to make sure they still are valid.

Europe played into the hands of Slobodan Milosevic, the bloody-minded "ex-Communist Serbian strutter. When Yugoslavia fell apart without Tito's boot to kick it in line, Germany led the West into early recognition of Slovenia and particularly of Croatia, Germany's World War II ally.

President Alija Izetbegovic of Bosnia himself had warned that premature recognition would explode the powder keg of Serbs, Croats and Muslims living in Bosnia. It did.

Fearful of remaining alone in union with Serbia, the Muslims of Bosnia, the largest of the groups but less than a majority, declared independence. Bosnia, Serbia and Croats went to war, empowered by Serbia and Croatia. Even then the war could have been aborted. Almost a year and a half ago, Bosnia, Muslims, Serbs and Croats agreed to partition.

But Bushbaker pushed for swift recognition of Bosnia, touting the Muslims off partition. Now Clinton has to tell the Muslims to take partition — perhaps on worse terms than

they could have had then. Please read the startling article about this by the irreplaceable David Binder in The New York Times of Aug. 29.

Later, Cyrus Vance and David Owen put together the only plan that would have given the Muslims the unitary state they wanted. Naturally, everybody spit in their eye.

I would understand the bomb-Serbia people better if there were the slightest chance that it would create what never existed — an independent Bosnia where Serbian and Croatian Christians would live in peace with Serbian and Croatian Muslims.

No — under partition, the crimes against the Muslims will not be punished. But Muslims will have a home and, if the West protects it, they can live in peace.

Instead of more bombs, let's give more Bosnian Muslims the choice of immigration visas.

Arabs would have prevented a half-century of war by taking the Palestine partition offered by the United Nations and accepted by the Israelis. Empty threats, says the open letter, have a perverse effect. True — as do empty promises. They can keep Bosnia suffering, decade after decade — which is why I part company from so many kinsmen and colleagues.

The New York Times

Other Comment

A Point of No Return

American lawmakers, pension directors, investors and corporate officials had better start now to dismantle the cumbersome apparatus of South Africa boycott. The African National Congress will soon ask those in the world community who have imposed sanctions to reverse course. Nelson Mandela says he expects the ANC to ask for the lifting of sanctions very soon. Many observers expect that by the end of this month.

As early as the end of next month, South Africa will have a multiracial Transitional Executive Council that will have veto power over government actions and watchdog authority over all government activity, including security forces. For those who wondered if South Africa would really switch from white rule to one-person-one-vote, this is the point of no return and the reason for ending what's left of sanctions.

This transition in South Africa has one important feature in common with the end of the Cold War (which helped to make it possible) and to the embryonic peace in the Middle East: It is the real thing, ending the old order, leaving the new up for grabs. Apartheid, as a legal system and government, is dead.

—The Baltimore Sun

incentive to be militant, the ANC is now caught in a youth rebellion it cannot control. Nor, with the first multiracial election barely eight months away, is it inclined to sulk and so risk alienating its more ardent supporters. More seriously, it is allowing the fantastic expectations of its supporters to get totally out of hand.

What today arouses in me most apprehension for the future in South Africa is not the failure to reach unanimity on the steps of the constitution, not even the ghastly cycle of violence in the townships, but the certainty that these expectations are bound to be disappointed. This will lead to disillusionment among many blacks, with incalculable consequences.

—F. W. Deedes, writing in The Daily Telegraph (London)

A Show of Courage

The state of Israel and the PLO have taken a historic step and concluded an era in the history of the Middle East.

Mutual recognition is a spontaneous confirmation that President Sadat of Egypt, who was murdered in 1981, was right when, instead of indulging in procrastination and strong words, he showed courage.

That is what Yasser Arafat and Yitzhak Rabin are doing now.

—Frankfurter Allgemeine Zeitung (Frankfurt)

At Oslobodenje, the Struggle Goes On

By William Pfaff

STOCKHOLM — The Sarajevo newspaper Oslobodenje was given an award last weekend by two Scandinavian papers. Deserving Nyheter of Stockholm and Politiken of Copenhagen. The award consisted of money and newspaper, both needed by a paper whose story is one of the remarkable ones of Sarajevo's siege.

Before the Yugoslav war, Oslobodenje was a large metropolitan daily. It had been founded during World War II as a resistance journal (its title means "liberation"), but its postwar prosperity as a commercial newspaper. Last month it marked its 50th anniversary of publication.

Its staff had always been a mixture of Yugoslav national groups, more or less accurately reflecting the makeup of Sarajevo's population itself, with Serbs, Croats, Muslims, Jews and mixtures of various nationalities. This remains true. The two of Oslobodenje's people able to get to Stockholm and then Copenhagen to accept this award were its editor, Kemal Karapinic, a Muslim, and Goran Ivanovic, head of the paper's new international edition, printed in Slovenia, who carries a Croatian passport.

In the old Yugoslavia, the newspaper had opposed ethnic politics and defended liberal and secular state values. When the siege of Sarajevo began in April 1992 it continued publishing, and despite the extremely difficult circumstances, it has not missed an issue since the war began.

Its building was an early object of Serbian small arms fire and then of shelling, until it was ruined. However, the building had a bomb shelter,

and publishing operations were eventually moved there. Living quarters for the staff have also been provided there, since the newspaper is at the edge of a battle line, and coming and going is dangerous. Several of the paper's employees have been killed by fire from the Serbian lines.

Other Oslobodenje journalists have been killed outside Sarajevo covering the war, and three are listed as missing. Still, journalists have kept the paper publishing by a collective effort in which personal interests have largely been abandoned.

It is an edifying story, which is unlikely to have a happy ending. Optimism is scarcely imaginable about the outcome of this war. Even if the currently suspended Geneva negotiations produce signatures on a plan for dividing Bosnia-Herzegovina, peace will not be installed because all sides will continue to struggle to improve their positions. There will also be still more "ethnic cleansing" — this time possibly under United Nations or NATO supervision — to force all into the zones authorized for their nationalities.

Bosnia itself will undoubtedly remain for a time a multiracial state with liberal politics. This is what the war has been all about for the Bosnian government. The staff of Oslobodenje have promised one another that they will stay together to fight (or that outcome when Sarajevo's siege is lifted). But they acknowledge that liberal ideas will face a rocky future. A radi-

calization of the Muslim community is taking place. The government's leadership may not survive.

Oslobodenje editors still want Western — above all, U.S. — military intervention, not because Bosnia's war has much chance now of being won, but because measured action against Bosnian Serbian forces and their headquarters could prevent the collapse of the Bosnian position and give Bosnia a better Geneva outcome.

As they note, every time outside intervention has seemed a serious possibility, the Serbian and Croatian sides have made compromises. But by now the United Nations and the Western powers have so often issued ultimatums and done nothing that the Bosnians feel abandoned.

The United Nations' guarantees for Sarajevo, its airspace interdiction, its proclamation of Muslim "safe areas," its promises to defend humanitarian supply convoys — none has been implemented.

Hence the outlook is bleak for Bosnia — and indeed for Serbia and Croatia as well, which will find that they have poisoned South Slav life for years to come.

The only future that made sense for the region was integration into the liberal and secular political society of the West. That is what Oslobodenje has fought for, against the odds. As Mr. Karapinic said in Stockholm, there are some standards of civilization and some professional values that are worth the fight, even if you lose.

International Herald Tribune

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Lunacy and Genins

PARIS — In the course of Sunday night (Sept. 10) and yesterday four cases of madness in the streets were brought to the notice of the police. One of these afflicted persons is a young man who has a mania for playing on the tin whistle. When he was told by the police that he must not make so much noise in the public streets he began to tear his clothes. Later on, when the Police Commissioner interrogated him he would only reply by asking that august authority if he would like to hear the opera "Guillaume Tell" played. He declared he knew the opera by heart from beginning to end.

1918: Bomber Reports

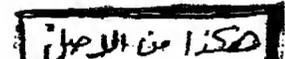
FRENCH AVIATION OFFICIAL — During August our day bombers launched more than 269 tons of projectiles on objectives on the battlefield between the Somme and the Aisne. Our night bombers, attacking

the enemy's stations and the communication lines, launched 362 tons of projectiles. During the same month 280 aeroplanes were destroyed or were seen to fall damaged, 29 being brought down by our anti-aircraft guns, and 66 enemy balloons were set on fire.

1943: A Joint Statement

WASHINGTON — [From our New York edition:] President Roosevelt and Prime Minister Churchill, in a joint statement made public at the White House at midnight last night, appealed to the public of Italy to "take every chance you can" and strike hard in the "task of clearing the Italian soil from the German invaders." The statement said the Allies "have very strong forces" and "are entering at many points" on the Italian mainland. It called upon the Italian to "march forward with your American and British friends in the great world movement toward freedom, justice and peace."

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MARKET DIARY

Low Inflation Spurs Stocks and Bonds

NEW YORK — Stocks bounded Friday after good inflation news revived the bond market's rally and drove interest rates lower. The Dow Jones industrial average rose 32.14 points to close at 521.63. Advancing issues out-

numbered decliners by 2 to 1 on the New York Stock Exchange. Volatility on the Big Board was an active 157.5 million shares. Stocks took their cue from the bond market, where interest rates climbed in response to an unexpectedly low inflation reading. The 10-year yield dropped 0.6 percent to 6.59 percent. August, the fourth straight monthly decline in the Producer Price Index, helped drive the 30-year Treasury issue, driving its yield down to 5.88 percent from 5.96 percent late Thursday. John H. Shaughtney, director of research at Advent Inc., said, "It's a little bit of a relief that has been driving stocks for some time — the expectation of lower interest rates. The Fed's move reinforced the thinking that inflation is under control."

J.S. Economic Reports Weigh on the Dollar

NEW YORK — The dollar rebounded against the Deutsche mark and most other currencies Monday after a sharp drop in U.S. producer prices convinced investors that interest rates would remain low for a long time. Signs of slow growth in Japan topped the dollar gain against the yen, meanwhile, as traders bet that the Bank of Japan would cut its 2.5 percent discount rate to jump-start the country's economy. The dollar fell to 1.5918 DM, its lowest level since June 2, before recovering to close at 1.5970 DM, down from 1.6015 DM on Thursday. The dollar rose to 106.035 yen as the yen fell to 139.15 from 140.10 on Thursday. The British pound stood at \$1.518, up from \$1.5145 on Thursday. Although it is good for the economy as a whole, low inflation often hurts the dollar by keeping interest rates depressed. "The dollar dropped against the yen on the weight of the pro-

ducer-price report," said Steve Flanagan, vice president at Mitsubishi Bank Ltd. Producer prices fell 0.6 percent in August, the biggest drop in more than two years. With inflation under control, the Federal Reserve probably will not be in a rush to raise its 3 percent discount rate. The dollar fared better against the yen, rising after the Bank of Japan's quarterly tankan survey showed corporate managers were more pessimistic about business conditions in Japan than they were when the last survey was compiled in May. The poor report puts more pressure on Japan to cut rates. Signs that trade relations between the U.S. and Japan are improving also helped the dollar gain against the yen, traders said. With trade relations brightening, Washington will refrain from talking up the yen, traders said. In London, the dollar closed at 1.5995 DM, down from 1.6015 DM. It also fell to 1.3978 Swiss francs from 1.4000, and to 5.620 French francs from 5.645 francs. The U.S. unit rose to 106.40 yen from 105.00 yen.



NYSE Most Active table listing top trading stocks like IBM, Microsoft, and Intel with their volume and price changes.

NYSE Diary table showing market activity for various sectors and indices.

Amex Diary table showing market activity for the American Stock Exchange.

NASDAQ Diary table showing market activity for the National Association of Securities Dealers.

Dow Jones Averages table showing performance of various market indices.

Standard & Poor's Indexes table showing performance of S&P industry and market indices.

NYSE Most Active table (repeated) listing top trading stocks.

NYSE Diary table (repeated) showing market activity.

Amex Diary table (repeated) showing market activity.

EUROPEAN FUTURES table listing futures contracts for various commodities.

Financial table listing financial futures contracts.

Industrials table listing industrial futures contracts.

Grains table listing grain futures contracts.

Livestock table listing livestock futures contracts.

Food table listing food futures contracts.

Metals table listing metal futures contracts.

Financial table (repeated) listing financial futures.

Food table (repeated) listing food futures.

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Livestock table (repeated) listing livestock futures.

Food table (repeated) listing food futures.

Metals table (repeated) listing metal futures.

Financial table (repeated) listing financial futures.

Food table (repeated) listing food futures.

Wholesale Prices Drop 0.6%

WASHINGTON (AP) — Wholesale prices fell again in August as plunging tobacco rates offset increases for natural gas, fruit and vegetables, the Labor Department said Friday. The report showed that the Producer Price Index fell by 0.6 percent, the most in two and a half years. It was the fourth straight monthly decline, something that has not happened since 1986. Wholesale prices were driven lower by a record 25.6 percent drop in cigarette prices. Without that reduction, the overall PPI would have risen by a tiny 0.2 percent. However, economists said that the underlying message of the report was that earlier worries that inflation was getting out of hand were unfounded.

Earnings Rise 5.3% at Paramount

NEW YORK (Bloomberg) — Paramount Communications Inc. said Friday first-quarter earnings had risen 5.3 percent on strong sales of educational textbooks and the box-office success of "The Firm." Net income in the three months ended July 31 rose to \$120.4 million, or \$1.01 a share, from \$114.3 million, or 96 cents, a year earlier. Revenue increased to \$1.35 billion from \$1.06 billion.

DEC Sells Cheaper Alpha Chips

MAYNARD, Massachusetts (Bloomberg) — Digital Equipment Corp. said Friday it had introduced a version of its Alpha chip that is cheaper than rivals and could help the company break into the mass market for personal-computer microprocessors. Digital, the third-largest U.S. computer maker, said last year that the key to financial recovery was producing Alpha chips that deliver workstation and minicomputer power. "The idea makes a lot of sense," said Neeraj Vohra, PC analyst for Standard & Poor's Corp., "because at the price point, Digital can say it has a product that Compaq and the other clone makers don't have yet."

Moody's Raises China Debt Rating

NEW YORK (AP) — Moody's Investors Services bolstered its rating of China's foreign debt Friday and said it was re-examining Chinese financial institutions to see whether their ratings should also be raised. Moody's, the New York-based credit-rating concern, raised from Baa1 to A3 its rating on China's foreign debt expressed in foreign-currency terms. The improved rating has been assigned to the Chinese government's recently issued \$3 billion yen (\$285 million) Eurobond due in 1998. Moody's said the rating upgrade reflected its expectation that the Chinese government would ultimately succeed in leading the country through the transition to a market economy.

AMD Faces Suits on 486-SX Chips

SUNNYVALE, California (Bloomberg) — Advanced Micro Devices Inc. said it faced several shareholder lawsuits over the timing of last week's announcement that its independently developed 486-SX chip is not entirely its own design but builds on Intel Corp.'s 386 chip. Three lawsuits seeking class-action status have been filed against the company, certain executives and board members, over why the company waited until Sept. 2 to announce that the chip unveiled in July was not "clean," a spokesman said.

LTV to Make Common-Stock Offer

WASHINGTON (Reuters) — LTV Corp. filed Friday a registration statement with the U.S. Securities and Exchange Commission to offer 20 million shares of common stock. Of the total, 17 million shares will be offered in the United States and 3 million elsewhere. The company, which emerged from seven years in bankruptcy protection in June, said proceeds would be used for general purposes, including capital expenditures or pension-plan contributions. Underwriters are Salomon Brothers Inc., Goldman, Sachs & Co., and Smith Barney Shearson Inc. They have an option to buy an additional 3 million shares to cover over-allotments.

Oil Slumps, Then Rebounds

LONDON — Oil-futures prices on both sides of the Atlantic hit five-year lows Friday on concerns about oversupply, then rebounded when talks between Iraq and the UN on weapons monitoring ended in New York without an agreement. Prices were also boosted by remarks by a Saudi Arabian official, who said a freeze on production would be acceptable, so long as OPEC members that have been overproducing were not rewarded. In London, October futures for Brent Blend fell to \$15.50 a barrel before recovering on the back of the Saudi remarks to \$15.71 a barrel, off 29 cents. In New York, light crude prices also recovered, with West Texas Intermediate for October closing 23 cents lower at \$16.74, after falling as low as \$16.36 early in the day. (Reuters, Bloomberg)

U.S. FUTURES

U.S. FUTURES table listing various futures contracts including grains, livestock, metals, and financial instruments.

WORLD STOCK MARKETS

WORLD STOCK MARKETS table listing stock market performance across various international markets.

NASDAQ

NASDAQ table listing stock market performance for the National Association of Securities Dealers.

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NYSE

Friday's Closing
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

12 Month High	Low	Stock	Div	Yield	PE	1993 High	Low	Latest	Change
12.50	11.50	ALCOA	0.40	3.20	15.00	12.50	11.50	12.00	+0.50
10.00	9.00	AMGEN	0.20	2.00	20.00	10.00	9.00	9.50	+0.50
15.00	14.00	AMGEN	0.20	2.00	20.00	15.00	14.00	14.50	+0.50
12.00	11.00	AMGEN	0.20	2.00	20.00	12.00	11.00	11.50	+0.50

12 Month High	Low	Stock	Div	Yield	PE	1993 High	Low	Latest	Change
10.00	9.00	AMGEN	0.20	2.00	20.00	10.00	9.00	9.50	+0.50
15.00	14.00	AMGEN	0.20	2.00	20.00	15.00	14.00	14.50	+0.50
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15.00	14.00	AMGEN	0.20	2.00	20.00	15.00	14.00	14.50	+0.50
12.00	11.00	AMGEN	0.20	2.00	20.00	12.00	11.00	11.50	+0.50

SAFETY: Book Argues That America Is Regulating the Wrong Way

Continued from Page 9

He thus suggests the creation of a super-regulator, an agency staffed with career civil servants with a mandate to transfer funds from one program to another, if and only if the transfer would save lives and prevent illness.

The idea, he suggests, would be to start small — say, with an inter-agency committee able to throttle back stringent toxic-waste standards and apply every dollar saved to reducing identified health risks to children.

Once the regulators had earned the public's trust, their mission could be expanded.

Judge Breyer's proposal is a lightning rod for criticism.

One charge — that the delegation of authority would be undemocratic — hardly seems relevant in a nation that already assigns bureaucrats the job of deciding how many rodent babies are permitted in a box of brownie mix. But other critics have more substance.

Lester Lave of Carnegie-Mellon University believes Judge Breyer concedes too much by implicitly accepting the idea that the current reach and total expenditures on health and safety regulation are reasonable. Most of the risk of premature death, he points out, now comes from individual habits like poor diet and smoking.

12 Month High	Low	Stock	Div	Yield	PE	1993 High	Low	Latest	Change
10.00	9.00	AMGEN	0.20	2.00	20.00	10.00	9.00	9.50	+0.50
15.00	14.00	AMGEN	0.20	2.00	20.00	15.00	14.00	14.50	+0.50
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10.00	9.00	AMGEN	0.20	2.00	20.00	10.00	9.00	9.50	+0.50
15.00	14.00	AMGEN	0.20	2.00	20.00	15.00	14.00	14.50	+0.50
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12 Month High	Low	Stock	Div	Yield	PE	1993 High	Low	Latest	Change
10.00	9.00	AMGEN	0.20	2.00	20.00	10.00	9.00	9.50	+0.50
15.00	14.00	AMGEN	0.20	2.00	20.00	15.00	14.00	14.50	+0.50
12.00	11.00	AMGEN	0.20	2.00	20.00	12.00	11.00	11.50	+0.50

INTERNATIONAL FUNDS

Continued from Page 9

12 Month High	Low	Stock	Div	Yield	PE	1993 High	Low	Latest	Change
10.00	9.00	AMGEN	0.20	2.00	20.00	10.00	9.00	9.50	+0.50
15.00	14.00	AMGEN	0.20	2.00	20.00	15.00	14.00	14.50	+0.50
12.00	11.00	AMGEN	0.20	2.00	20.00	12.00	11.00	11.50	+0.50

AS - Australian Dollar; AS - Australian Dollar; BF - Belgian Franc; CA - Canadian Dollar; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Franc; R - Dutch Guilder; L - Italian Lira; S - Swiss Franc; SF - Spanish Peseta; T - New Taiwan Dollar; Y - Japanese Yen; Z - South African Rand; A - Amsterdam; B - Brussels; C - Copenhagen; D - Luxembourg; E - Frankfurt; F - Paris; G - London; H - Hong Kong; I - London; J - London; K - London; L - London; M - London; N - London; O - London; P - London; Q - London; R - London; S - London; T - London; U - London; V - London; W - London; X - London; Y - London; Z - London; AA - London; AB - London; AC - London; AD - London; AE - London; AF - London; AG - London; AH - London; AI - London; AJ - London; AK - London; AL - London; AM - London; AN - London; AO - London; AP - London; AQ - London; AR - London; AS - London; AT - London; AU - London; AV - London; AW - London; AX - London; AY - London; AZ - London; BA - London; BB - London; BC - London; 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THE WALL STREET JOURNAL

FIRST COLUMN

Markets Get A Bad Case Of Euphoria

SO the Bundesbank finally tossed the bond and equity markets a little snack. Unfortunately, Thursday's half-a-point reduction had already been so much anticipated as to be virtually predigesting. Traders wanted three-quarters of a point, and many had told themselves that was what they really expected.

Nevertheless, the markets — just about every European bond market and the majority of stock markets — rose again. For that, blame the "consensus view" cited in innumerable news reports. The "consensus view" is a pretty reliable substitute for a mass attack of premature senility, but it appears to have prevailed this week. The thinking — if that is not too much of a misnomer — is that German rates will not fall again in the short term.

Food Makers Suffer Discount Dyspepsia

By Aline Sullivan

SHARES in leading food manufacturers have so far remained immune to the euphoric sweeping international share markets. The news is particularly mediocre on both sides of the Atlantic: European and U.S. shares have taken a beating in recent months from investors convinced that famous brand names will prove vulnerable to cheaper competition from retailers' own products. But some analysts believe the gloom has been exaggerated and they predict a recovery in the sector.

The trouble for food manufacturers started in July when U.S. giant Philip Morris sheared the domestic price of its Marlboro cigarettes in an effort to retain market share. Investors worldwide took fright: The move appears to have unleashed a wave of bearish sentiment affecting food brands as well as the tobacco business.

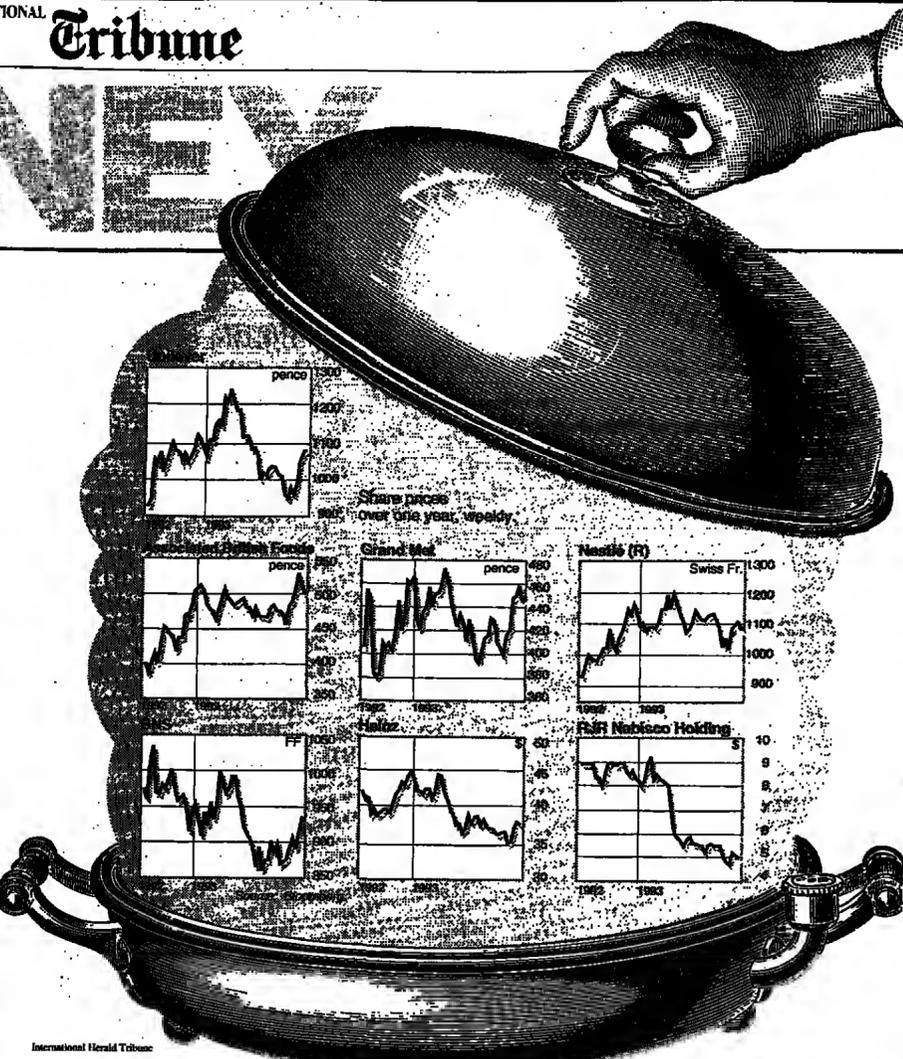
Investors' fears are easily summarized. Competition among food retailers in the United States and Western Europe has never been fiercer. Up-market supermarket chains like J. Sainsbury in Britain and Safeway in the United States are being challenged by low-margin, high-volume discount stores operating according to the old marketing principle of "pile 'em high, sell 'em cheap."

that they are now undervalued. She cited the American confectioner Hershey: "It has a strong brand name, very little private-label competition and a strong balance sheet."

"Some of the concerns about these companies are valid but they were overdone," said Ms. Ghez. "It is a difficult environment for food manufacturers because inflation is low and the established markets are not growing. But profits should improve as the economies get better."

Analysts concur that, in this market, big is beautiful. Companies able to invest substantially in research and development are expected to produce products that are of a high enough quality to merit high prices and to develop manufacturing techniques aimed at cutting costs.

John Campbell, food analyst at London stockbrokers County NatWest, was adamant that the big food manufacturers offer the best value for investors. "These are able to take advantage of the consolidation in the industry and the growth in developing markets," he said. "Smaller, regional companies are less well placed."



International Herald Tribune

Group, the biggest food manufacturer in France, which derives less than 5 percent of its sales from outside Europe and the United States.

spend large sums on advertising. Mr. Morvan said. However, Ms. Ghez warns that the market for retailers' products may hit a ceiling as industrialized economies improve.

The Phones-On Approach in a Crisis

By Judith Rebek

WHAT happens to your finances if there's a crisis? If it's one of your own, the chances are you'll be able to get through to your broker, banker or fund manager on the telephone as you leave town in a hurry. But what if it's a crisis of the market-made variety?

Virtually everyone who minds the phones at fund companies harks back to the market crash of Oct. 19, 1987, as the month of truth. As the stock market went into free-fall, tens of thousands of frantic investors jammed the toll-free lines of fund companies. Most heard busy signals or endless recorded messages; some didn't get through for two days. The lines were overloaded, but a bigger problem was that there were not enough people to answer their calls.

method of being prepared for overloads. Most fund companies maintain at least two 800 numbers (toll-free numbers within the United States) managed by two separate groups: one may give out basic information such as account status, fund prices and the like, while the other handles actual transactions.

In the aftermath of the 1987 phone nightmare, fund managers began seeking ways to handle overload situations without keeping employees sitting around idly. Cross-training phone representatives is now the most widespread

Ground rules for this procedure are taught during training and tend to be similar throughout the industry. Suppose, for example, the stock market has taken a dive and a frantic shareholder is on the line. "If you've got someone saying, 'I just don't know what to do, what should I do?' we'll tell them we can't advise them, but we can give them some information," said Ms. Danforth of Fidelity. A typical approach is to provide a longer-term perspective, backed up by statistics about previous dips and recoveries in the overall market.

Ms. King of 440 Financial follows the same basic scenario, but how to represent her outside clients in an emergency situation is worked out with them in advance. "It's critical, because there are different shareholders in different companies, and you have to inform them of the same situation in different ways. You don't want to hurt or scare them," she said.

BRIEFCASE

Fund Manager G.T. Says U.K. Offers Equity Opportunities

G.T. Capital Management, which manages funds in both the United States and Europe, is touting U.K. equities as the place for international investors to be. In its latest quarterly newsletter, the fund manager makes its case by noting that Britain is starting to pull out of the recession and is benefiting from its exit from Europe's exchange-rate mechanism a year ago. Retail price inflation, for example, has dropped to a 30-year low of 1.2 percent. Moreover, "monetary trends, deflation in real estate, and declining labor costs indicate virtually no domestic inflationary forces in the next year," said Christian Wignall, the group's chief investment officer.

Dividends Have Increased But Is That a Good Sign?

Not everyone is as optimistic as G.T., however. While the love affair with mutual funds has helped push up stock prices, market historians have been warning for a couple of years that dividends were not keeping pace, that the market's average yield had fallen to a level that has spelled disaster in the past. Isn't it great news, then, that dividend increases have picked up steam and are running far ahead of reductions?

New U.S. Tax Laws Place Burden on Self-Employed

Bad news for the self-employed who pay U.S. taxes. According to tax practitioners Ernst & Young, new tax laws place entrepreneurs and partners of service-type businesses at a marked disadvantage to their peers in corporate America. The firm cites Medicare-related taxes and changes in entertainment-expense rules as the principal causes.

Advertisement for International Herald Tribune (IHT) subscription. Headline: "Mideast peace at last? European interest rates The troubled Japanese economy Gunfire in Mogadishu New Bosnia peace talks". Offer: "Subscribe and save up to 44% off the newsstand price". Includes contact information for Austria, France, and Germany.

Table with 5 columns: Country/Currency, 12 months + 2 months FREE, 6 months + 1 month FREE, 3 months + 13 FREE issues, 3 months (91 issues in all with 13 bonus issues). Lists countries like Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Rest of Europe, Rest of Africa, Rest of Asia, Rest of Latin America, Rest of Middle East.

THE MONEY REPORT

Trading for a Second-Hand Life

By Brandon Mitchener

FOR Wall Street in the 1980s, other people's money was the key to riches. For Germans in the 1990s, an increasingly common investment targets other people's lives.

Morbid as it might sound, Germans are snapping up second-hand British and Irish life insurance policies as an exotic means of refinancing mortgages, saving for old age or future education expenses or simply as a high-return alternative to equity investments, which many Germans regard with suspicion.

This is nothing new in England, where second-hand endowment policies have been sold for 150 years, but the market in Germany and its Continental neighbors is still in its infancy. The overall market is expected to grow to around £100 million (\$1.5 billion) next year, with around 80 percent of buyers based in Britain.

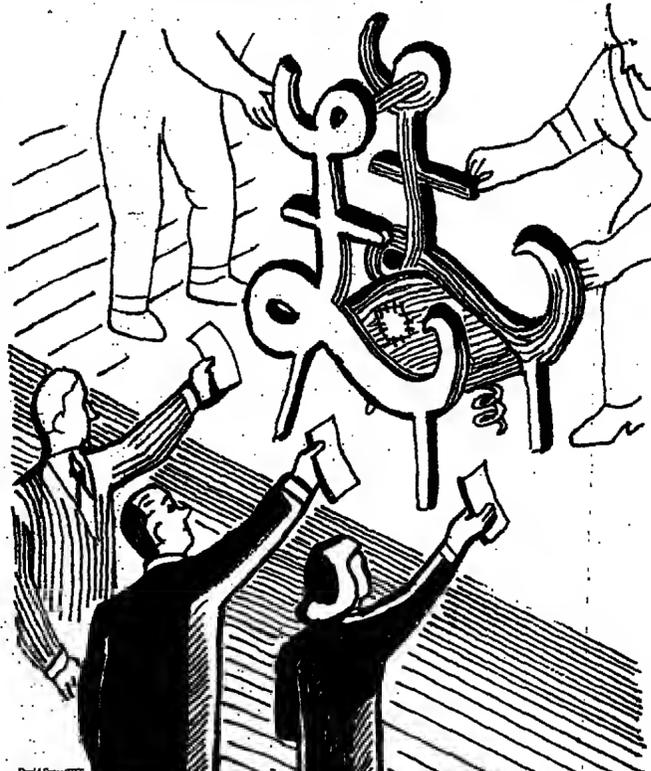
According to Bill Weston, a partner at auctioneers Foster & Cranfield, the oldest name in the business, Germany is the second biggest market. "Buyers are mostly trust funds, but a lot of private investors are buying them because the returns in comparison to money market funds are so good," Mr. Weston said. "About a third are bought by ordinary individuals."

In Germany, about two out of every three buyers are wealthy elderly who use second-hand British endowment policies as collateral for local mortgages and real estate loans, said Harald Rölle, a Hamburg/Buchholz-based investment adviser who learned about the policies at a financial fair and has been selling them ever since.

In addition to individuals, he said, "I now have Mittelstand companies buying up these second-hand policies as part of their pension plan investments." He was referring to German small- to medium-sized businesses that are the backbone of the German economy.

Others trade in their German life insurance policies for British policies in search of a higher yield. Mr. Rölle has calculated that German companies, which invest primarily in fixed-income paper and real estate, pay roughly double the sum of premiums, while British companies, which invest heavily in equities, return up to six times the premiums paid.

The British secondary market's historical raison d'être is a vast gap between the surrender value of an endowment policy and its face value, or asset value. Market makers straddle this gap, paying more for "used" policies than the insurance company would offer, and reselling



David Sencer/IST

them more cheaply than a new policy of similar value would cost.

Effectively, the surrenders sell the right to collect the eventual payout on his contract, while the buyer, who receives the original policy papers and an acknowledgment of transferred ownership, continues to make premium payments until the policy expires.

Sales of the second-hand policies have soared recently because of the British recession, but they are more a way of profiting from someone else's misery, Mr. Weston and Mr. Rölle insist. "There's been a steady flow of these policies for a long, long time," Mr. Weston said. Indeed, only 20 percent of policies surrendered early find their way into the secondary market but more than half of all U.K. policies are surrendered before their time.

One reason is divorce, which results in the early surrender of joint life insurance contracts. But another big reason, during the recession,

has been a drop in real estate prices. Most British life insurance policies are used as collateral for a real estate loan, Mr. Rölle said.

FOR Germans aware of the market's existence, second-hand U.K. endowment policies are almost too good to be true, combining relative safety and a high return, generally three percentage points above British gilts, which currently yield around 9 percent. Even the specter of devaluation is relative because while the eventual payout declines, so do all the remaining premium payments.

"I just had a customer buy 10," Mr. Rölle said. A German architectural engineer, aged 60, bought second-hand endowment policies maturing between 1977 and 2007, "giving him a revolving investment income," he said.

For clients unwilling to invest the time needed to track a second-hand British life policy themselves—it is

up to the owner of the policy to find out if its object, the original owner, dies before it expires—several U.K. investment banks are now selling second-hand endowment funds, and Mr. Rölle and others, in turn, are selling the funds.

The first, the Kleinwort Endowment Policy Trust (KEPT), aims to invest £30 million in policies expiring in 2003. Second on the market was Barclays de Zoete Wedd (BZW), with a £20 million fund expiring in 2005, and John Covert is to be the third.

Fund managers specializing in second-hand endowment policies pay less than a 15 percent premium to a policy's surrender value, compared with a typical auction price of around 20-25 percent, attracting investors with the lure of higher returns than they could achieve by themselves. As interest in the fund grows, however, so does its price, and Mr. Rölle said he no longer sells it as a result.

Best Performing Recovery Funds

Table with 2 columns: 'Over one year to Sept. 1, 1993' and 'Over three years to Sept. 1, 1993'. Lists various recovery funds and their performance metrics.

How Recovery Shares Beat the Indexes

By Rupert Bruce

DESPITE generally flatter trends this week, many of the world's major stock markets are still near their historic highs. That poses difficult questions for would-be investors: Where is genuine value to be found in a generously priced market? Surely, peak market prices mean shares are fully valued?

Not necessarily, argue fund managers like Richard Hughes of London-based M&G. The M&G Recovery Fund invests in companies experiencing difficulties, or which are otherwise experiencing hard times and are due for recovery. The

vehicle has risen from its position as one of the pariahs of Britain's mutual fund industry to become one of its champions in the space of 12 months. As such, it has behaved exactly as a portfolio of recovery shares should. Given that these funds thrive on "special" situations, each unique to its recovery, supporters of this type of investment argue that, string markets or not, recovery stocks have a way to go.

Mr. Hughes bought the bulk of the portfolio in the long years of Britain's recession from among the London Stock Exchange's down and out. A few went to the wall, but others turned around and their prices have risen. From the end of August 1992 the fund has rewarded

sterling investors with a 63.4 percent rise, (118.9 percent in dollar terms), handsomely outperforming the local FT-A All Share Index. But until last August it was sadly lagging. During the previous three years and two months, the fund has fallen 18.1 percent for a sterling investor, (36 percent in dollars).

One of the fund's successes, Granada, is a classic recovery share. Mr. Hughes bought it at the time of a "rescue" rights issue two years ago for 150 pence (\$2.25) a share. He liked it because the rights issue recapitalized the leisure company and a program of disposals and acquisitions was under way. The share tripled in value after the fund invested.

Granada showed many of the signs that Mr. Hughes believes of a herald a recovery. There was a new management, a vigorous program to sort the company out, and the rights issue would fortify the balance sheet.

The M&G fund's managers have demonstrated that by picking portfolio of recovery shares, it is possible to substantially outperform a chosen stock market index even though the fund performs abysmally in a recession. And, while the fund may be volatile at times, it is considerably less of a risk than just picking the odd recovery stock and losing everything if it fails.

In its period of growth between Britain's two most recent recessions, the fund substantially outperformed the FT-A All Share Index. Between its zenith at the end of June 1989 and its nadir at the end of January 1993, it rewarded sterling investors with a 497.1 percent rise, (491.4 percent in dollar terms).

Mr. Hughes now believes that with Britain showing clear signs of pulling out of recession, his busiest stock-picking period is over until the next time. In Continental Europe and Japan, though, where recession still has a grip, there are many more opportunities.

Anthony Bolton, the investment director of Fidelity Investments in Britain, who manages the range of funds that invest in Europe and are marketed across the region, says he is buying a lot of recovery stocks. He does not stick to the purists' definition of these stocks and includes companies that have low earnings purely because of the recession (described as cyclical) as well as those that have more specific problems.

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Cautious Investors Take a Chance on Futures and Options

By Digby Lerner

DO you run with the recovery in share prices, or just run for cover? The answer to that question will depend very much on the individual investor's temperament and circumstances, but one thing is certain: A burgeoning sector of the securities industry is offering cautious investors and those with a share portfolio to protect a new range of choices.

That sector is the futures and options markets, an area in which most cautious investors would never dream of getting involved. And, on the face of it, they have good reason not to. The traded futures and options market is a highly volatile investment area where huge

gains and losses can be made with frightening speed. But there is a friendly side to derivatives gradually creeping into the personal finance market.

There are three increasingly popular ways of investing: guaranteed funds, which promise the return of investment capital with the hope of gain; income funds, which aim to provide returns in a low interest rate environment, and the direct use of futures and options to protect an investment portfolio.

The relatively poor showing of equity markets in the years before the recent surge helped channel a steady flow of cash into capital guaranteed funds. These usually promise to deliver a high proportion of any stock market gains over a specific period or, if the market falls, to at least pay back the original investment.

The fund manager puts part of the client's money into an investment with a guaranteed return at some future date. This usually involves zero coupon shares or cash on deposit. The balance, minus management charges, buys call options on a basket of shares weighted to mirror the market it invests in. If the market drops by the end of the term, the maturing zero coupon or deposited cash pays back the capital. If the market rises, the

call options are used and the manager immediately takes the profit on behalf of the investor.

The irony of cautious investors unwittingly making use of derivatives is not lost on some fund managers. Mary Blair, Fidelity Investments' executive director of product development in London, said, "People tend to look at what funds are offering rather than how they achieve it. That can be good and bad. It's good because they leave things to the professionals who know derivatives can be used in a defensive way. But it's bad, too, in a way, because some derivatives-based products do carry a capital risk."

THIS may be true of another derivatives product currently springing up in Europe: the high income fund. The combination of revving equity markets and falling interest rates has had a dual effect on the investment market. As equities become more buoyant, investors are becoming less anxious about capital security and are moving away from guaranteed funds. At the same time, as interest rates fall, those wanting income are looking for higher-yielding alternatives to cash deposits. Here, again, futures and options can fit the bill.

Managers in Europe are waking up to the idea of selling call options for their funds and distributing the premiums they charge for them as income. This technique has been used in the United States for some time and has attracted more than \$800 million of investment. One U.S. mutual fund, Analytic Options Equity, started in 1978 and has since produced a compound average annual return of 11.4 percent.

The British fund manager Foreign & Colonial launched a similar high income fund earlier this year, promising an income return of 10 percent. The fund sells options to buy its shares at a price 5 percent above their current value. F&C analyst Craig Walton says the fund is proving to be one of the company's most popular. He said that although derivatives are playing a bigger hedging role in personal finance products, many investors are unaware of it. "People tend to think of futures and options as being high risk, but it can be quite the opposite."

In Britain, this appears to be borne out by a lack of enthusiasm for managed derivatives funds. The financial regulations were relaxed to allow companies to sell futures and options funds plus the more volatile geared futures and option funds to retail investors. Critics of

the move warned that people would invest in the funds without fully understanding the risks. In fact, companies launching such funds have found the take-up disappointingly slow.

While F&C makes no secret of the way its fund works, it concentrates on marketing the end benefits rather than the fact that futures and options play a part. "It's not a feature of the product, even though we do mention it," said Mr. Walton. "If all the mechanics were explained, I don't know how people would feel about it."

But unlike guaranteed funds, high income funds using derivatives are more speculative. They are best suited to volatile, or steadily growing markets. In a rising market, share prices may move high enough to encourage call-option holders to use them and buy shares at a discount. If they do, the fund will profit the bill. This means investors inevitably sacrifice a portion of future market gains for the sake of taking high income today.

While income investors will probably be quite happy with that, the downside risk comes from steadily falling markets, as Mr. Walton explained. "If you're trading in a market that is flat, or flat and moving down, the transaction costs will actually erode your capital. That was the sort of market we saw in the early 1970s. More like death by a thousand blows than a sudden leap down."

fall in London says that although investors are still uneasy about getting directly involved in futures and options, attitudes are changing, especially at the high-net-worth end of the market.

"When I'm talking to clients about them, the perception they have is of the high-risk side of options," the spokesman said. "I try and illustrate how they are used by saying that when you buy a house, you buy an insurance policy to go with it. If it gets burned down, you want to make sure someone gives you the money to rebuild it."

OPTIONS can work in this way for any investors, even those running their own portfolios. A share currently worth \$5, for example, can be covered by buying an option giving the investor the right to sell the share at the same price later. The premium for this is usually a very small percentage of the share value. If the share value falls heavily, the option can be used and all the investor loses is the premium.

Morgan Grenfell fund manager Rupert Lowe says that, used properly, there is nothing to fear from futures and options. "It's like anything, handled wrongly they can be extremely dangerous. I think they're a great investment, cheap to use and very efficient. Certainly, from the point of view of fund managers, they allow a lot more flexibility."

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THE MONEY REPORT

Old-Fashioned Stock Picking Comes Back

By Kevin Murphy

STOCK picking is back. That is the blunt message being trumpeted across Asia by BT Fund Managers Ltd., an Australian investment group, which touts its ability to find undervalued stocks in all the markets it covers. BT has become Australia's third largest mutual fund manager in its home market with 21 billion Australian dollars (\$13.5 billion) on its books. Now, it wants to try its formula in Asia's fast-growing fund management market.

The move to stock picking bucks the trend of recent years, when fund investment has been dominated by vehicles that invest in market indexes. Index funds, as their name implies, do not actively pick stocks, but merely attempt to follow the market. Index funds frequently formed part of the strategies of advocates of modern portfolio theory. A standard formula was to use an index fund to follow market performance as the core of a portfolio, and then to add on an "asset allocation model" for a smaller "satellite" portfolio that was supposed to outperform a market index. But skeptics argue that the modernists have fared little better than the old-fashioned managers. Now, it seems, a return to aggressive attempts to beat the market is on the way.

"I've certainly detected a greater interest recently," said Paul O'Donnell, a director of BT charged with building the group's offering of three funds now sold in Hong Kong into a wider selection. "We're not saying pure stock picking works for everyone, all the time. But it seems to be working for us."

BT's Select Markets Trust, a Pacific Basin fund, ranked fifth out of 2,011 international equity funds on performance over five years to the end of last month (a 29.1 percent average annual return), according

to statistics from fund monitoring firm Mieropal. Its European Growth Fund ranked first among its peers over the same period (16.4 percent annual return).

Mr. O'Donnell reckons the strong performance has something to do with the fierce competition among fund managers in Australia, who were forced to look abroad for

"After the crash, the consulting actuaries came in to tell fund managers the best way to protect themselves," Mr. Sherman said. "Lots of risk analysis was done and managers were replaced by consulting actuaries. But that trend is changing and we'll see the actuaries lose their jobs to fund managers again."

"These days, I don't think any

their sheer size relative to the Hang Seng Index.

In the Philippines, where CS First Boston analysts found that "with regard to either earnings growth or market performance, there is little or no correlation with nominal gross domestic product, private consumption growth, M2 growth, the current account deficit, inflation or the deficit," selecting the right stock of the six that comprise 69 percent of the Manila composite index may be the only way to survive.

"Traditionally, Asia is much more bottom up than many places," said Grahame Stott, a director of the Wyatt Co (HK) Ltd. "There are so few stocks around and a common story throughout the markets. You have to look very closely for value."

"There's quite a bit of evidence stock picking can be a source of value added, but much less evidence it's more important than getting the country right in the first place."

The influx of American brokerages and fund managers is bringing advocacy of top-down management styles with it, buttressing considerable support for the existing "quant" approach favored by several of the European houses. The Americans also are analyzing Asia by industry across the region rather than by country.

"For our type of investor, fund managers must rely on what they hear on the grapevine," said Paul Giles, executive vice president of Creditanstalt's Hong Kong operation. His firm has about 25 percent of its funds in equities, most of which are in Asia. "This is not a research driven market."

"We're looking at politics and often price rumors on particular companies. We're not trading last quarter's results, we're moving on something about the future."

Mr. Giles said: "Bangkok, Hong Kong, Singapore, they're much the same. The punters want short,

sharp profits. It comes back to the client base, you have to do what they want."

Rachel Broderick, manager of the marketing department at Jardine Fleming Investment Management, said, "Although our client base is institutional, it ranges from pension funds who are index driven, to those seeking absolute returns who tell us, 'Do anything you want.' We tend to focus on those clients who want to beat an index."

To do so, Ms. Broderick reports, the group's fund managers combine both approaches: "In Malaysia, for example, the top-down story wasn't coming through, but strong earnings growth was there. Anyone who found the right companies early in the year are looking at handsome gains — Kuala Lumpur's Second Board stocks are up an average of 48 percent since the start of the year."

THE quality of statistical data overall and in Asia in particular is coming under increasing scrutiny. That makes some fund managers skeptical about the value of following figures, indexes included; many believe they best learn about the various economies in their realm from talking to individual companies.

"If you talk to a company manager about their pricing structures or their view of inflation, you're likely to find out what is going on before it hits the economist's statistics," said Bill Ebsworth, managing director of Fidelity Investments Management (HK).

Stock pickers also tend to put less emphasis on trying to buy the index of a particular country at just the right time. "Judging which of nine countries is going to go up by 10 percent in the next few weeks is no easy thing," said Towers Perrin's Mr. Bone.

For our type of investor, fund managers must rely on what they hear on the grapevine.

returns as their domestic equity market limped through the last five years.

BT is not the only Australian group touting its ability to find value among the world's 45,000 listed companies. "There's no doubt about it, stock picking has come back in the past six to nine months," said Brian Sherman, chairman of the Equitlink Group. "There has been a major change in sentiment in Australia."

Equitlink, the largest independent fund manager in Australia, has 3.4 billion Australian dollars under management in 15 portfolios, some of which are closed-end funds listed in the United States, Canada and Australia; others are open-ended mutual funds in Australia. Equities make up 20 percent of its portfolio.

"After the 1987 crash, people began to favor risk analysis," said Mr. Sherman. "The trend was toward extreme caution. Fund managers measured whatever they did against indexes, but they lost sight of the fact that an index is a meaningless figure." His Equitlink Super Trust recently ranked No. 1 over one month, three months and one year of 36 fund managers by Australian consulting actuaries, In-

dividual investor or pension fund wants to be paying managers 1 percent to be in the indexes. They're paying people to identify the best stocks."

Equitlink runs one equity fund that has 15 to 20 percent of its money in Southeast Asian equities, and it turns to "other managers on the ground for advice in their markets."

But just how receptive will Asian investors be to an approach that throws away complex asset allocation charts and sector indicators?

Very receptive, it seems, according to fund managers and actuarial groups watching the industry, who say the bottom-up approach is already strong and gaining adherents in Asia, where short-term investment horizons change before the ink dries on economist's reports.

"Stock picking is going on in a big way here now," said Syd Bone, managing director of Towers Perrin actuarial and investment consultants in Hong Kong. "The thing to beat is the index and people are starting to find they can do that by stock picking."

In Hong Kong's case, outperforming the index may just mean deciding where Hongkong and Shanghai Banking Corp. or China Light and Power are headed, given

Best Performing Mutual Funds

Over one month to Sept. 1, 1993

Over one year to Sept. 1, 1993

Over five years to Sept. 1, 1993

Source: Mieropal

Templeton China Fund

THE latest move to cash in on rising share prices in China and Hong Kong came this week from the Hong Kong arm of the Templeton fund management group, itself owned by U.S. mutual fund giant Franklin Resources.

Templeton said it would list a China fund on the New York Stock Exchange this month. The fund aims to raise \$200 million, and joins more than 30 China funds worldwide.

The Templeton China World Fund will invest at least 65 percent of its assets in listed companies that operate mainly in China, Hong Kong or Taiwan, Templeton said. It may invest up to 25 percent of its total assets in companies expecting a listing, it said.

The number of new China funds launched this year is smaller than last year. The funds have not performed as well as had been expected, analysts said.

But the Hang Seng Index of top shares in Hong Kong's stock market hit a closing record this week, and B share markets in Shanghai and Shenzhen, reserved for foreign investors, have been rising for the past month.

The B share market has been the subject of much criticism from international analysts, many of whom feel that there is insufficient liquidity in the market and simply not enough "value" (whether defined as a function of asset backing or income) in the shares. However, brokers say U.S. investors are backing both markets.

About two-thirds of the Templeton fund's shares, priced at \$15 each, will be offered in the United States by U.S. underwriters, led by Merrill Lynch.

Merrill Lynch International will lead the underwriting of the issue outside the United States. (IHT, Bloomberg)

THE FUND PERFORMANCE FOCUS

Herald Tribune

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SPORTS BASEBALL

Giants' Lead Cut To One Game As Braves Win

The Associated Press
Each day, San Francisco's lead in the National League West seems to get smaller. Now the rest of the league is wondering what the Giants have been worrying about: Can anyone stop the Atlanta Braves?

The Braves, 7½ games behind San Francisco on Aug. 22 and on

three runs in the second inning, and Todd Zeile's grand slam highlighted a six-run sixth. The Giants have won only 11 of their last 23 games. Zeile's second slam of the season came against Terry Bros and made it 9-2.

Rene Arochs left after Matt Williams' 32d homer, a two-run shot in the eighth. The drive came after the Cardinals' fourth error.

NL ROUNDUP

the verge of falling out of the race, trimmed the deficit to one game Thursday night. Atlanta beat San Diego, 1-0, in 10 innings, while the Giants lost to St. Louis, 9-4.

"The Giants have held their own to this point, and it's not over," said Ozzie Smith of the Cardinals. "But when you have the kind of pitching the Braves have and add Fred McGriff, that seemed to be the spark they needed. It's all falling into place for them. It's unfortunate for the Giants, because they've had some injuries."

Ron Gant's 33d home run gave Atlanta its 24th victory in 29 games. The Braves have been winning because of pitching, and they won again that way with a combined one-hitter in San Diego.

Kent Mercker, making a rare start, was pulled after six no-hit innings. Mark Wohlers gave up a check-swing single with two out in the eighth to Luis Lopez — his first major-league hit — and Greg McMichael pitched the last two innings.

"No-hitters don't come very often, but the World Series comes even less often," Mercker said. "I'd take a World Series ring instead of a no-hitter."

On Sept. 11, 1991, also against the Padres, Mercker teamed with Wohlers and Alejandro Pena to pitch the NL's only combined no-hitter.

Cardinals 9, Giants 4: Visiting St. Louis chased Jim Deshaies with

Phillies 10, Cubs 8: Lenny Dykstra homered twice and drove in a career-high five runs as the Phillies stopped a three-game losing streak on right night in Philadelphia.

In the third, Philadelphia's Mariano Duncan was brushed back by Frank Castillo and charged the mound. The benches and bullpen emptied, and Castillo suffered a cut on his nonpitching hand.

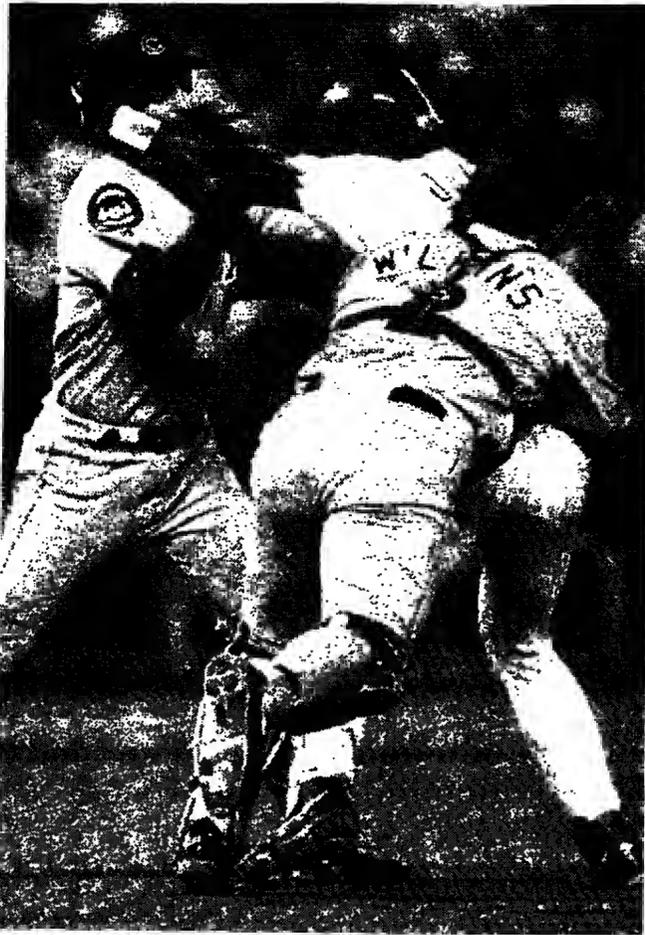
Dodgers 6, Marlins 5: Los Angeles lost Orel Hershiser to an early injury but beat Florida at Dodger Stadium in the 10th inning on Tom Goodwin's two-out single.

Hershiser was hit in the back of the right hand by a pair of line drives. He stayed in after being struck by Orestes Destrade's shot in the second, but he came out after Benito Santiago's drive hit him in the same place. Hershiser was scheduled for X-rays on Friday.

Santiago's solo home run in the 10th tied it for Florida. In the 10th, third baseman Gary Sheffield made his second error of the game and Goodwin singled.

Rockies 10, Pirates 7: Winning pitcher Gary Wayne grounded a two-run single in his first at-bat in the majors, helping Colorado pull away in the 12th inning in Pittsburgh.

Wayne, who spent his entire major-league career with Minnesota before joining the Rockies, borrowed one of Daryl Boston's bats and singled.



Cubs' pitcher Frank Castillo, left, and catcher Rick Wilkins tried to restrain the Phillies' Mariano Duncan, who charged the mound after an inside pitch by Castillo. Duncan and Castillo were ejected.

Cowboys vs. Bills: A Replay Of Super Bowl or Revenge?

New York Times Service

BILLS (1-0) at COWBOYS (0-1): KEY STAT: Bills were 4-0 vs. NFC during last year's regular season and are 10-2 vs. NFC in the last three years; Cowboys gained no sacks vs. Washington and allowed 171 rushing yards.

COMMENT: If only the Bills could trade one of those regular-season NFC triumphs for one of those Super Bowl losses. This must be a revenge, grudge match for the Bills not only for losing Super Bowl XXVI to Dallas but also for the humiliating way in which they lost. Oddsmakers have made the Cowboys 5-point favorites.

COLTS (0-1) at BENGALS (0-1): KEY STAT: Bengals nine draft picks all made team and four are

NFL MATCHUPS

starters; Colts have won last three vs. Bengals.

COMMENT: Indianapolis fought Miami before losing by 24-20 and hopes to build off that showing against a young and inexperienced team. One shining star for the Colts — they did not allow a sack vs. Miami. Cincinnati, however, allowed six sacks in its loss to Cleveland. Colts by 2.

CHIEFS (1-0) at OILERS (0-1): KEY STAT: Chiefs offense gained 400 total yards vs. Tampa Bay, their most since 452 vs. Miami in 1991; Oilers have won four straight at home over Chiefs.

COMMENT: Joe Montana has never lost against seven NFL teams and one of them is Houston; Montana is 4-0 vs. the Oilers. His bruised right wrist should not prevent him from starting. Warren Moon threw for 527 yards vs. Kansas City in 1990, the second-most yards in a game in NFL history. Oilers by 2½.

BEARS (0-1) at VIKINGS (0-1): KEY STAT: Vikings have won six straight home openers and five of seven vs. Chicago; Bears punter Chris Gardocki had only one of five punts returned by Giants.

COMMENT: Both teams stumbled in their openers and both continue a rivalry usually full of crunching blows. Jim McMahon battles his old club and Bears coach Dave Wannstedt looks for his first victory. Vikings by 7½.

SAINTS (1-0) at FALCONS (0-1): KEY STAT: Saints have won six of seven in Atlanta; Falcons quarterback Chris Miller has thrown at least one touchdown pass in 15 straight games.

COMMENT: The Falcons sign free agent Eric Dickerson, the league's No. 2 all-time rusher, and then Miller throws 50 passes in a blowout loss at Detroit. Go figure. That style won't cut it against the Saints. Saints by 2½.

EAGLES (1-0) at PACKERS (1-0): KEY STAT: Eagles Randall Cunningham has career 4,035 rushing yards and 29 rushing touchdowns; Packers seek 500th franchise victory and would join Bears as lone two in that category.

COMMENT: Eagles coach Rich Kotite says that his team will be as good or better than last year's playoff team despite losing so many free agents. But now the chief free agent the Eagles lost, Reggie White, lines up against them. Packers by 4.

CARDINALS (0-1) at REDSKINS (1-0): KEY STAT: Cardinals have not won in Washington since 1978; Redskins are 20-2 following Monday night games.

COMMENT: Like Reggie White, the Cardinals' Gary Clark faces his old team. Unlike White, he won't favor this one. Redskins by 9½.

BUCCANEERS (0-1) at GIANTS (1-0): KEY STAT: Buccaneers rushed for only 25 yards in loss to Chiefs; Giants controlled ball for nearly 34 minutes in victory over Bears.

COMMENT: Tampa Bay fell flat against the Chiefs. They could not run. They could not pass. They could not play pass defense. How could they possibly beat the Giants on the road in a place where they have never won in four tries? Giants by 11.

LIONS (1-0) at PATRIOTS (0-1): KEY STAT: Lions gained six sacks in victory over Atlanta; Patriots have 27 new players, 13 new starters.

COMMENT: Lions coach Wayne Fontes has never coached his team against New England. He'll like this. The Lions have Barry Sanders. The Patriots have a long way to go. Lions by 7.

JETS (0-1) at DOLPHINS (1-0): KEY STAT: Bengals quarterback Boomer Esiason has 23 passing games of 300 yards; Dolphins quarterback Dan Marino has 47 TD passes vs. Jets.

COMMENT: The Jets usually battle Miami ferociously and 15 of the past 20 games have produced 40-plus points. That trend could continue with both teams featuring weapons on offense and defenses that are not quite at full strength. But Miami is usually well prepared for its home opener. Dolphins by 10.

CHARGERS (1-0) at BRONCOS (1-0): KEY STAT: Chargers have won only 9 of 33 games in Denver; Broncos rookie Glyn Milburn gained 148 all-purpose yards in debut vs. Jets.

COMMENT: The Chargers' defense gets a strong test against the Broncos' versatile offense. Too, the Broncos are playing in their home opener before one of the league's most vocal crowds. Broncos by 3½.

STEELERS (0-1) at RAMS (0-1): KEY STAT: Steelers have lost three straight to NFC teams, including opening loss vs. 49ers; Rams made only one penalty for 13 yards and still lost, 36-6, to Green Bay.

COMMENT: Jim Everett threw 41 passes vs. the Packers. He completed 17. None were for touchdowns. Two were intercepted. Everett's game has slid and only he can pick it up. Pittsburgh should play ball control and then blitz him incessantly. Steelers by 2½.

RAIDERS (1-0) at SEAHAWKS (0-1): KEY STAT: Raiders have won six straight over Seahawks; Seahawks have AFC's No. 1 pass defense.

COMMENT: Seattle can play defense with the best in the league, but the offense is still lugging far behind. Rick Mirer at quarterback is an excellent start but Seattle needs a lot more. Like a Rocket Ismail, who makes his debut for the Raiders. Raiders by 3.

OILERS (1-0) at BROWNS (1-0): KEY STAT: Oilers are 20-12 on Monday nights and 50-34 vs. AFC; Browns gained six sacks, one fumble recovery and two interceptions in defeating Bengals.

COMMENT: The Cleveland fans gain a treat when they get the chance to see the 49ers up close and in their Dawg Pound. San Francisco remains one of the league's most creative teams and when compared with Cleveland's style, it's like comparing a jet to a bus. 49ers by 7½.

These matchups were written by Thomas George of The New York Times. Odds were provided by Harrah's.

Jays Lose 6th in a Row but Stay Even With Yanks

The Associated Press

A first-place team, even one merely tied for the top spot, usually doesn't have to look hard for positives. But that's what the Toronto Blue Jays are doing.

They lost their season-high sixth straight game Thursday night when

AL ROUNDUP

Oakland won, 7-4, for its first road series sweep of the season. The Blue Jays are tied for first with the New York Yankees, and Baltimore is just one-half game back in third. New York and Baltimore were idle Thursday.

"As poorly as we've played lately, we're still tied for first place," Toronto's John Olerud said. "I guess if we're trying to find something positive, it's the fact that the Yankees haven't played very well either."

The Yankees were just swept in a three-game series at Texas, and the Orioles have won 9 of 10.

"With the way their pitching is shaping up, they could be the team to beat," Oakland's Troy Neal said of Baltimore after delivering the

two-out ninth-inning single that broke a tie.

With the score 4-4, the Blue Jays' Tony Castillo walked Scott Hemond to lead off the ninth, and Jerry Brown sacrificed him to second.

Dave Henderson flied out and Ruben Sierra was walked intentionally before Neal singled. Brent Gates added a two-run double to close the scoring as Oakland swept its first road series since winning four at Texas Aug. 3-6, 1992.

Kurt Abbott collected his first major-league hit, a two-run homer off Jack Morris that put the Athletics up 3-0 in the fourth.

"I never imagined my first hit would be a homer," Abbott said. "Especially off Jack Morris. It's something I'll always remember."

Abbott had barely had time to enjoy his first hit when he sent a run-scoring single to left in his next at-bat for a 4-2 lead in the sixth.

Pat Borders drove in three runs for the Blue Jays with a single, following Olerud's run-scoring double in the fourth and pulling the Blue Jays even at 4-4 with a two-

run single off Edwin Nunez in the sixth.

Angels 6, Tigers 0: Joe Magrane and two relievers combined on a six-hitter as the Angels avoided the sweep at Tiger Stadium. Magrane, picked up by California last month

after he was released by St. Louis, gave up four hits in seven innings and walked a season-high six. Stan Javier's two-run homer, his first since May 1992, made it 5-0.

Twins 5, Indians 3: In Cleveland, they got within 10 innings of the

marathon they played last week, wrapping this one up in a neat 12 innings. Minnesota's Brian Harper broke the tie with a sacrifice fly and Pedro Munoz added the insurance run with a single.

For the Boys of Summer, a World Series Played in November?

Compiled by Our Staff From Dispatches

BOSTON — Major-league baseball, the most traditional of American sports, has decided to give itself a new look for 1994.

The proposal for three divisions in each league and a new round of playoffs that could push the World Series into November follows the lead of the National Football League, National Basketball Association and National Hockey League, whose lengthy postseason overshadow their regular seasons. Baseball's plan, which was approved 27 to 1, on Thursday, is subject to approval of the Major League Baseball Players Association, but the union said it anticipated no problems.

"I have gone back to read what people were saying in 1969 when we went to divisional play," said the Milwaukee Brewers' president, Bud Selig, chairman of the ruling executive council. "Some said it would be wonderful. Others said it would be a disaster and destroy baseball. Time will tell. We believe in our research and that the positives far outweigh the negatives."

The American and National League first split into divisions when they expanded for the 1969 season, and the alignments have basically stayed the same.

The Texas Rangers were the only club that dissented. Florida eliminated the final opposition in the National League when it agreed, if necessary, to move from the NL East to the NL Central. Atlanta wants to be in the East, with Pittsburgh in the Central.

The three teams, which waived their right to veto realignment, are to be assigned within seven days.

The new playoff format will consist of three division champions and a wild card team, the nonchampionship team with the best win-loss record, in each league. In the first round, the wild-card team would play the team with the better record of the two champions not from its division.

The first round will be a three-of-five series. The first two games will be played at one site, the wild-card team's park in one instance and the other determined by a rotation system. The last three games will be played at the opposing team's park.

First-round winners would advance to the best-of-seven league championship series and the pennant winners would go to

the World Series, which also would remain best-of-seven.

"Our surveys have shown it will enhance fan interest in the waning days of the season, really months," said John Harrington of the Boston Red Sox, who formulated the plan as chairman of the schedule-format committee. "There has been a significant dropoff on interest in August and September as teams drop out of the race. This is a chance to address that."

Of the realignment and expanded playoffs plan, Donald Fehr, head of the players' union, said, "I can't promise it'll be completely smooth sailing, but I look forward to getting it done."

Under the new arrangement, the 1994 season would start April 5 and Game 7 of

the World Series would be Oct. 30. In 1996, the season would either begin in March or Game 7 of the World Series would be scheduled for Nov. 3.

The resolution called for the new alignment to be used for a minimum of four years or for the length of the next collective bargaining agreement, whichever term is longer. The format also is to be based on a balanced schedule, under which each team plays two home series and two road series against each other, regardless of division.

In the two four-team divisions, teams will play only about one-fourth of their games against division opponents and the remaining three-fourths against teams in the other divisions. (AP, NYT, WP)

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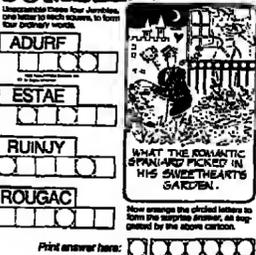
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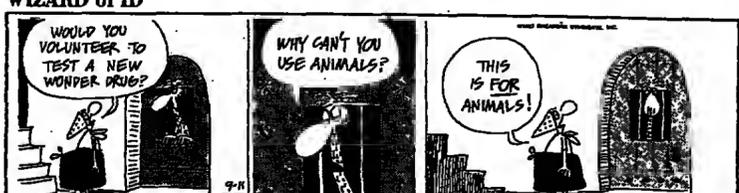
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SPORTS SOCCER

Pioline Topples Medvedev to Reach Semis

No. 15 Frenchman Sets Up Unlikely Match With Masur

Compiled by Our Staff From Dispatches
NEW YORK — Cedric Pioline produced another round of magic at the U.S. Open to conjure up a most unlikely meeting in the semifinals of the year's final Grand Slam.

Pioline, the 15th-seeded Frenchman who has never won a tournament, followed up on his fourth-round demolition of No. 1 Jim Courier by ousting eighth seed Andrei Medvedev of Ukraine from the quarterfinals in a 6-3, 6-1, 3-6, 6-2 rout.

Earlier Thursday, the unseeded Wally Masur of Australia, 30, had mowed down Sweden's Magnus Larsson in straight sets to advance to the final four.

Masur's best previous result in nine U.S. Opens had been an exit in the third round. Pioline had been eliminated in the first round and third round in his previous two Opens.

On Saturday, they will play for a berth in Sunday's final. On Friday, Ken Flach and Rick Leach of the United States won the men's doubles championship, defeating Karel Novacek and Martin Damm of the Czech Republic 6-7 (3-7), 6-4, 6-2.

The victory gave Flach his second U.S. Open doubles title, the first person to win two championships with different partners since John McEnroe. Flach won the doubles with Robert Seguso in 1985; McEnroe won in 1979, '81 and '83 with Peter Fleming and '89 with Mark Woodford.

Later Friday, Steffi Graf was facing Manuela Maleeva-Fragniere and Arantxa Sanchez-Vicario was playing Helena Sukova in the women's semifinals.

Pioline won an impressive 20 forehand winners past Medvedev, who was strangely listless during the first two one-sided sets in his debut on Stadium Court.

"I had a fantastic week, a fantastic two weeks," said Pioline. "I would like to not realize I'm in the semifinals and just keep playing my game and go on for one more."
"I didn't remember that he played with such confidence."

said the 19-year-old Medvedev, who had lost his previous two matches against the Frenchman including a second-round loss at Wimbledon.

"With his kind of game and the way he is playing now he should have that kind of confidence," he added.

Pioline claimed the only service break of the first set in the sixth game and then sailed to victory in the second set as Medvedev's concentration vanished.

Medvedev lost three successive service games, double faulting twice on his way to losing the fifth game and wildly missing his serve on the last point of the set.

The moody Medvedev showed flashes of his talent in winning the third set as he began varying his pace and picking points to press Pioline from the net.

But Pioline pulverized a forehand winner down the line to end a hypoxic rally and break for 3-2 in the fourth set. A pair of double faults from the demoralized Medvedev gave the Frenchman yet another break to lead 5-2.

Pioline became the first Frenchman since Henri Cochet in 1932 to reach the semifinals of the U.S. championships.

Masur has more recent role models to emulate. Darren Cahill made it to the semifinals five years ago and John Newcombe won the tournament in 1973.

In another oddity in this strange Open, it is the first time that all eight semifinalists are from different countries since the men's and women's championships were held together in 1887. (Reuters, AP)



Cedric Pioline marched past Andrei Medvedev, 6-3, 6-1, 3-6, 6-2, and into the men's semifinals.

Gorman Quits as Davis Cup Chief

Compiled by Our Staff From Dispatches
NEW YORK — Tom Gorman, captain of the U.S. Davis Cup team since 1986, submitted his resignation to the U.S. Tennis Association and John McEnroe expressed interest in the job.

Gorman, 47, was a member of the 1972 Davis Cup championship team and captained two American teams to Davis Cup titles.

"I really feel it's time," Gorman said of his decision to resign on Thursday. "I have a watch and a ring that shows we were world champions."

Gorman said he had decided to leave earlier in the week and had informed the USTA president, J. Howard (Bumpy) Frazer of the decision Thursday. (AP, Reuters)

A number of prominent tennis figures, including McEnroe, have talked about wanting to captain the U.S. team.

"John McEnroe has been the greatest contributor to Davis Cup in modern times," Frazer said. "He is an inspirational guy. And certainly he is a candidate to be the captain."

On U.S. television, McEnroe said: "I don't think there's a U.S. player that doesn't want to be captain of the Davis Cup team. I think it's a great honor."

Frazer said Gorman would stay with the team until after the matches Sept. 24-26 against the Bahamas. (AP, Reuters)

Marseille Drops Suit, Averting Ban on France

Compiled by Our Staff From Dispatches
PARIS — Warned that France's likely 1994 World Cup berth was at stake, the owner of Olympique Marseille, Bernard Tapie, on Friday dropped a lawsuit against European soccer officials challenging his team's exclusion from the Champions Cup.

International soccer officials had threatened France with suspension from international competition unless Tapie backed off. His team, the European and French champion, is entangled in a match-fixing scandal and on Monday was banned from the Champions Cup.

Tapie announced the withdrawal in a communiqué sent to world soccer's governing body, FIFA. "French soccer can be saved in this situation only by giving up the benefits of this legal action," Tapie said. "This is the price, which I agree to pay in the higher interest of French soccer."

He said FIFA "had practically threatened French soccer with disqualification from the international scene."

On Thursday, Tapie won a court victory when a judge in Bern issued a temporary injunction overturning the ban on Marseille's participation in the cup competition.

Marseille won the cup, European soccer's most prestigious trophy, in May. But because of the bribery accusations, the club was barred from defending its title by European soccer's governing body, UEFA.

Tapie fought back with a lawsuit, saying that UEFA gave his team no chance to argue its side of the case.

But on Friday he agreed to withdraw the suit, under pressure from French soccer officials. They were facing a possible choice of forfeiting a World Cup berth, which the French team is virtually assured of obtaining, or expelling Marseille, the five-time defending champion, from the French league if Tapie persisted in challenging FIFA and UEFA.

In his communiqué Friday, Tapie said he was "deeply saddened and shocked" at having to give up his legal battle.

"I am unhappy that Marseille can't try to defend its title as champion of Europe," he said. "I hope our fans, our players and our officials will be appreciated for placing France's collective interests above our individual interests."

"Good sense has carried the day," said Jean Fournet-Fayard, president of the French soccer federation.

He was summoned to Zurich on Friday for talks with FIFA's president, Joao Havelange, and UEFA's president, Lennart Johansson.

In those talks, "it was established that action would be undertaken entailing the suspension of the French Football Federation and its clubs from international competitions," a UEFA statement said.

"Considering this firm standpoint by both FIFA and UEFA, Bernard Tapie withdrew his legal action without any condition," the statement said.

At a news conference later Friday in Marseille, Tapie said he might have to sell one or two of his five foreign players to make up for the loss of considerable Champions Cup revenue this season.

Marseille has estimated that the ban from cup competition would cost 120 million francs (\$22 million) in lost earnings.

"With five foreigners in the squad it is always possible to take advantage of an opportunity," he said.

FIFA Says Move Is 'a Victory for Common Sense'

ZURICH — International soccer officials breathed a sigh of relief on Friday after Bernard Tapie, president of the French champion, Olympique Marseille, backed off from his lawsuit that had threatened to plunge the soccer world into chaos.

"Everything is settled the way the authorities in the game wanted it," FIFA's spokesman, Guido Tognoni, said after Tapie had dropped his action against UEFA, the sport's European governing body.

At stake was a fundamental challenge to the soccer bodies' authority to administer the sport without intervention from civil courts.

Tognoni called Tapie's decision a "victory for common sense." "We cannot allow everyone who is unhappy with a decision to go to a civil court," he added. "You cannot go with sports decisions to a civil court."

News of Tapie's move came months before UEFA and FIFA officials were to hold a conference after meeting with Jean Fournet-Fayard, head of the French federation. (AP, Reuters, AFP)

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE				NATIONAL LEAGUE			
Team	W	L	Pct.	Team	W	L	Pct.
New York	78	62	.558	Philadelphia	84	54	.607
Toronto	74	68	.520	Montreal	77	61	.554
Baltimore	73	69	.513	St. Louis	74	64	.534
Detroit	73	68	.515	Chicago	70	71	.496
Chicago	71	67	.514	Pittsburgh	64	74	.463
Cleveland	64	74	.463	Florida	58	82	.412
Milwaukee	61	80	.433	New York	47	93	.336

Thursday's Line Scores

Team	W	L	Pct.
Philadelphia	84	54	.607
Montreal	77	61	.554
St. Louis	74	64	.534
Chicago	70	71	.496
Pittsburgh	64	74	.463
Florida	58	82	.412
New York	47	93	.336

Baseball Results

Team	Score	Opponent
Philadelphia	5-0	Montreal
St. Louis	4-1	Chicago
Chicago	3-1	Pittsburgh
Pittsburgh	2-1	Florida
Florida	1-0	New York

Baseball Results (Continued)

Team	Score	Opponent
Philadelphia	5-0	Montreal
St. Louis	4-1	Chicago
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Florida	1-0	New York

SIDELINES

Brand Keeps European Open Lead

UCKFIELD, England (Reuters) — Gordon Brand Jr. of England continued to dominate the European Open at East Sussex National on Friday, adding a 68 to his opening-round 65 for a five-stroke lead with an 11-under-par total of 133.

Uckfield, England (Reuters)

Seve Ballesteros of Spain, who shot a 72 Friday for a total of 142, was the only member of Europe's Ryder Cup team. Four of his 10 teammates missed the 1989 cup. Brand, who played in Europe's 1987 Ryder Cup victory and 1989 cup, has not won on the Tour for more than four years.

Uckfield, England (Reuters)

Little-known Steve Stricker upstaged golf's bigger names to grab a two-stroke lead after the opening round at the Canadian Open on Thursday in Oakville, Ontario, with a six-under-par 66. Two shots behind were the Americans Scott Gump, Brad Bryant, Phil Mickelson, Jimmy Johnston and the Zimbabwean Nick Price, the 1991 champion.

Uckfield, England (Reuters)

LONDON (AP) — The Jamaican sprinter Merlene Ottey withdrew at the last minute Friday from the IAAF World Grand Prix final, ruling out the chance of winning the women's overall Grand Prix title.

Uckfield, England (Reuters)

Australia's World Cup soccer qualifier against Argentina will be played on Oct. 31 in Sydney, FIFA said on Friday. The second leg will be in Buenos Aires sometime between Nov. 14 and 17.

Uckfield, England (Reuters)

Greg Norman has pulled out of next week's Lanobone Trophy golf tournament in Paris because of a shoulder injury.

Uckfield, England (Reuters)

Fernando Hernandez, 4-year-old son of the Colombian soccer player Luis Hernandez (Chonito) Hernandez, was kidnapped Thursday in Medellin by four men on motorcycles. There was no immediate claim of responsibility for the abduction, the police said.

Uckfield, England (Reuters)

Lotus, the British Formula One racing team, announced Friday that its cars would be powered by Mugen-Honda engines in the 1994 and 1995 World Championships.

Uckfield, England (Reuters)

Alain Prost of France claimed the provisional pole position on Friday for Sunday's Italian Formula One Grand Prix in Monza, Italy, and set a qualifying lap record with his time of one minute 22.163 seconds.

ACROSS

- 47 —wop (vocal style)
- 1 Straight half of a comedy team
- 7 Simulacrum
- 12 Experts in Jewish law
- 38 Pupp cover
- 39 Incendiary jell
- 21 Part of E. I. du Pont
- 22 Grandmother of Kaiser Wilhelm II
- 24 Seabiscuit's grandeur
- 26 "The Faerie Queene" damsel
- 27 Clamor
- 28 Newt, e.g. 1961 film
- 31 Memorable U.S. tennis champ
- 32 F.D.R.'s Secretary of the Interior
- 34 Italian composer: 1823-69
- 36 Toughen
- 39 Lenman or Howard
- 40 "Angel," 1959 song
- 41 Olivia Newton-John's grandfather
- 44 Indian prince
- 46 Sniggle's prey

DOWN

- 1 Endangered species of Celebes
- 2 Resilience
- 3 Seashore feature
- 4 "Murder" novel: Lipsky novel
- 5 Cultivates
- 6 Kipling's Rikki-bikki
- 7 Ref. of fld.
- 8 "Goldfish" painter
- 9 Marginal note
- 10 Shallow's
- 11 Judge served by Samuel
- 12 Chinese dumplings
- 13 Alter in the sky
- 14 Craving
- 15 Endangered species of Celebes
- 16 Reporter's
- 17 Hippocampus of myth
- 20 Dolley or James
- 23 Move slowly
- 25 City in NW France
- 30 Shakespeare's merchant
- 33 Cloisime artists
- 35 Observing
- 37 Interweave
- 38 Estuary's river, appropriately
- 41 Group of jurors
- 42 Adored one of groups
- 43 Bitch part
- 45 Narrator of a Chaucer tale
- 50 Female goat
- 51 Debate-limiting
- 52 Many ages
- 54 Every partner
- 55 Carbamide
- 56 Actress Teri
- 57 Prominent
- 58 Labor follower
- 60 A vote for
- 63 Klaxon
- 64 Murder, arson, burglary, etc.
- 65 Rainbow goddess
- 66 Perked after a sentence
- 67 Zarizbar duo
- 69 Close kinsman
- 71 Genetic abbr.
- 74 Discriminating
- 75 Novelist Ritzbag
- 76 Large city on the Chang Jiang
- 78 Deftest motor
- 85 Resort near
- 88 Ribbonlike, braided fabric
- 94 Grandma's daughter
- 95 Keyhole snoop
- 96 Abuse
- 97 Adequate
- 98 Resort near
- 99 Lighe
- 96 Monroe film: 1953
- 93 Drafter's initial shock
- 95 Nation born May 24, 1993
- 96 Quiescent
- 96 Shoots from plant roots
- 109 Urban youth subculture
- 101 Surrounded by
- 102 Wool Comb.
- 104 Pop singer Nina
- 105 Wall Street denis
- 109 Playing marble
- 111 Goffer
- 115 Raggedy one
- 118 Or of jazz
- 119 Babylonian deity
- 121 Ums' consins
- 122 Across Wallace
- 123 Holds

CRICKET

SECOND TEST
South Africa vs. India, Fourth Day
Friday, at Colombo, Sri Lanka
S. Africa 1st Innings: 499
S. Africa 2nd Innings: 119/1 out
S. Africa yet to be in Innings and 288 runs.

FOOTBALL

Major College Scores
SOUTH
Syracuse 41, East Carolina 22
Arkansas 35, Texas Tech 27
Tennessee 31, E. Michigan 28

TRANSACTIONS

BASEBALL
MONTREAL — Signed Brad Fulmer, third baseman.
BASKETBALL
Northern Basketball Association
BOSTON — Named Tom McGrath vice president of administration.
NEW YORK — Welcomed Bo Kimble, second.

SOCCER

GERMAN FIRST DIVISION
Werder Bremen 1, Bayern Munich 0

Solution to Puzzle of Sept. 4-5

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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NEW YORK TIMES

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DAVE BARRY

Tax Dollars at Work

MIAMI — There are times when, as a taxpayer, I just have to put my head between my legs and weep with joy at the benefits I am receiving from the federal government ("Official Motto: This Motto Alone Cost \$13.2 Billion"). You'll feel the same way when I share some news items sent in by alert readers concerning government agencies serving the public in ways that the public could never have thought of itself without the aid of powerful narcotics. Our first item concerns EAR CANDLES: You may recall that a few months back I wrote a column about ear candles, an old home remedy consisting of wax-covered cotton cones that you insert into your ears, after which you set them (the cones) on fire. This is supposed to create a draft that sucks the wax out of your ears. In response, several alert readers sent me an article from the July 29 Columbus (Ohio) Dispatch headlined "Federal Agents Seize Ear Candles in Raid." The article states that on July 28, U.S. marshals and agents of the Food and Drug Administration "swopped in" to a Columbus health store and "seized about 100 candles." An FDA spokesperson said the candles were seized because they did not have FDA approval, which is required for "anything used for treatment or prevention of disease in humans or animals." I, personally, am sleeping better knowing something is being done about this menace. I'd like to see the FDA program dramatized in a TV series, "Ear Candle Patrol," wherein each week federal agents would confront dangerous, low-violation, health-store clerks ("Look out, Matt! She's got a ginseng root!"). Another menace that your Food and Drug Administration is protecting you from is NUTRITIONAL MISINFORMATION REGARDING TEQUILA-FLAVORED LOLLIPOPS CONTAINING DEAD INSECTS: Perhaps you have seen these novelty lollipops, which consist of a clear, tequila-flavored hard candy, inside of which is what appears to be a dead worm. If so, you no doubt asked yourself: "What assurance do I have as a consumer, that this worm is identified with proper federal terminology?"

Knight-Ridder Newspapers

Harry Belafonte: Personal and Political

By Felicia R. Lee

NEW YORK — Harry Belafonte, dressed in three shades of green and sitting in a blood-red room in his rambling Upper West Side apartment, is talking about who he is. It is a delicious summer afternoon in the 66th year of his life. He speaks deliberately, but with such intensity that one imagines the words ringing in the air as they leave his mouth. The apartment is quiet. The temperature has dropped, so Belafonte turns off the window air-conditioner. Julie, a lithe former dancer and his wife of over 30 years, is out. Omaha, his fat black cat, intermittently meows in another wing of the labyrinth of rooms. "I know clearly about things that I aspire to," Belafonte says. "I know where my commitments are. I know there are things that I like very much to be a part of. Exactly who I am in the process of doing them is very hard for me to define."



Belafonte at home in New York with his cat Omaha.

Newspapers and magazines, with their penchant for personality packaging, tend to serve him up as a three-hat guy: entertainer, civil rights advocate, father of Shari Belafonte. His name evokes a suave screen image, the broyant banana-boat songs and the idealism who has lent his name and energies to almost every human rights struggle — from the marches with the Reverend Martin Luther King Jr. to his efforts with Nelson Mandela on behalf of South Africa. Belafonte's work is steeped in politics and personal history. He recalls how a barefoot King paced in this room a week before his assassination and wondered aloud if blacks were, in effect, integrating into a burning house. "Are we?" a visitor says. Belafonte's answer is yes. "We're in a struggle for the soul of this country," he says. "We're in a struggle for America's moral center. And unless that can be made straight, I'm not too sure any of the other battles are winnable."

He endures as more than a relic, he says, because the passion that informs his music gives people a sense of community. The proof: He has had no top-40 hits to his name in decades, and is rarely on television; yet, he just completed a national tour with his own band, Djoliba, that drew full houses from Los Angeles to Cape Cod. He is busy working on a book, several movies (most behind the scenes) and preparing for three shows at Lincoln Center, his first commercial appearance in New York in almost 30 years. He says he is "quite anxious" about the engagement and muses that it could be his last commercial performance, because he needs time for other projects. The book, Belafonte says, is less an autobiography than out-loud reflections and a chance to speak his piece on such varied subjects as interracial relationships, fascism, Malcolm X and Fidel Castro. "I'm aware of time, what's left," he says. "In 14 years I'm going to be 80." He tilted upward the mostly unlined face topped with mostly white hair.

One of his most ambitious film projects, besides producing an ABC miniseries on apartheid, is a movie about the era of "Amos 'n' Andy," which he is writing with his friend the director Robert Altman. Altman will direct the film, called "Cork." Belafonte is cordially opaque about the details of "Cork," which is still being developed. He said only that it would be eight stories in one that study the effects of racism.

"It's about looking at the Amos and Andy in all of us and what we've had to do," Belafonte says of the film. "By and large, as a people, we've had to be more like what white people want us to be to get over than we've been able to be who we are and express ourselves openly and honestly. So we sit with all these pent-up frustrations and undeclared feelings."

"Even today, on the big screen, the pictures that are always successful are pictures where blacks appear in the way white America buys it. And we're told that what we really want to express is not profitable and is not commercially viable."

The apartment, filled with Caribbean and African art, reflects some of the roads Belafonte has traveled, literally and philosophically. There is a wall of Diego Rivera watercolors, a beautifully framed Haitian primitive. He is immensely proud of five sleek marble sculptures from Zimbabwe. His musical taste is eclectic, much of it running to African and other Third World musicians these days. He says that he is initially embraced hip-hop but that he is now disgusted by its corruption.

"The hip-hop culture, rappers, no matter how they negate black women, white America has made them essential to the economy," he says with the most anger he has shown in two hours. "I understand their pain, their violence; I understand their rage. I also understand how they're being paid off."

His sandpaper wisp of a voice rises. "I don't want to see any more young black men grabbing their crotch and pumping away sexually at some black woman," he says, "and then for it to be declared the truth about black people." One cannot, he insists, separate political and social realities from the arts.

Even this lovely apartment is the fruit of struggle. He bought the entire building 36 years ago because his color barred him from renting the apartment of his choice in New York.

"I'm not going to use the stage as a political podium," he says, "but I do use my songs to describe the human condition and to give people some insights into what may be going on globally, from what I've experienced."

PEOPLE

Judge Orders New Trial In Malcolm Libel Suit

A federal judge in San Francisco has ordered a new trial in the libel case of Jeffrey M. Masson against James Malcolm over a profile she wrote for The New Yorker, but Judge Eugene F. Lynch also ruled that the magazine be severed from the case. A first trial ended in June after an eight-member jury found Malcolm had fabricated five defamatory quotations in her 1983 article about Masson and that two of those quotations were libelous. The jury could not agree on the amount of damages, however.

Los Angeles prosecutors declined to press charges against Ivan Nagy, 55, a Hollywood director who had been arrested on suspicion of running a call-girl ring. He was a former boyfriend of the so-called "Hollywood madame" Heidi Fleiss.

Loyalty all around: Brooke Shields, a close friend of Michael Jackson's, said in Wellington, New Zealand, that she did not believe the sexual abuse allegations against him. Meanwhile, a Gallup Poll found that nearly everyone in the United States was aware of the accusations against Jackson but that the majority believed he was blameless.

So who needs a band? The Spanish opera singers José Carreras and Mestislav Rostropovich performed a concert in Zabrze, Poland, with a piano as accompaniment after the orchestra walked out. The Great Polish Radio and Television Symphony Orchestra abandoned the two singers an hour before the performance because Carreras insisted that his colleague Enrique Rici should conduct throughout. The orchestra wanted to be led alternately by Rici and by the Polish conductor Antoni Wit.

Mestislav Rostropovich gave a concert at the White House, then received a bear hug from President Bill Clinton after a reception in honor of the Kennedy Center.

INTERNATIONAL CLASSIFIED

Appears on Page 6

WEATHER

Weather forecast section including maps of Europe, Asia, and North America, with temperature and precipitation data for various regions.

WEEKEND DESTINATIONS

Table with columns for Saturday and Sunday weather forecasts, including location, weather conditions, high/low temperatures, and wind speeds.

"I wonder if the little guy had fun today?"



AT&T Access Numbers

Table listing international access numbers for various countries, including Australia, Austria, Bahrain, Belgium, Bulgaria, etc.

Sharing the day's events with loved ones back in the States has never been easier. Whenever you're away, simply dial the AT&T access number of the country you're calling from and an English-speaking AT&T Operator or voice prompt will put you through in seconds. You can bill the call to your AT&T Card, U.S. local calling card, or call collect. You'll get economical AT&T rates and keep hotel surcharges to a minimum. It's all part of The i Plan, our continuing commitment to be there for you. Even when you're on the other side of the planet. So surprise someone back home with a call. Who knows? Perhaps they'll have a little surprise for you.



Handwritten Arabic text at the bottom of the page.